

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input checked="" type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Oscoda County	County Oscoda
Fiscal Year End 12/31/2005	Opinion Date 6/22/06	Date Audit Report Submitted to State 6/29/06	

We affirm that:


We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO **Check each applicable box below.** (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☒ ☐ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) James M. Anderson, P.C.		Telephone Number 989-563-2450		
Street Address P.O. Box 255		City Roscommon	State MI	Zip 48653
Authorizing CPA Signat	 <small>Digitally signed by James M. Anderson, CPA DN: cn=James M. Anderson, CPA, c=US, o=James M. Anderson, P.C., email=jma@m33access.com Date: 2006.06.29 17:30:22 -04'00'</small>	Printed Name James M. Anderson, CPA		License Number 1101017419

**OSCODA COUNTY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2005**

OSCODA COUNTY **TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	9
Statement of Activities	10-11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12-13
Reconciliation of Fund Balances on Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	14
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	15-16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities . .	17
General Fund:	
Comparative Balance Sheet	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	19
Ambulance Fund:	
Comparative Balance Sheet	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	21
HUD Fund:	
Comparative Balance Sheet	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	23
County Revenue Sharing Reserve Fund:	
Balance Sheet	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	24
Proprietary Funds:	
100% Tax Payment Enterprise Fund:	
Statement of Net Assets	25
Statement of Revenues, Expenses and Changes in Net Assets	26
Statement of Cash Flows	27
Statement of Fiduciary Fund Net Assets	
Agency Funds:	28

**OSCODA COUNTY
TABLE OF CONTENTS (CONTINUED)**

Notes to Financial Statements	29-47
-----------------------------------------	-------

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

Detail Analysis of Revenues	48-49
Expenditures - Budget and Actual	50-51
Detail Schedule of Expenditures	52-58

NONMAJOR GOVERNMENTAL FUNDS:

Combining Balance Sheet	59-62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	63-67
Comparative Balance Sheets and Statements of Revenue, Expenditures, and Changes in Fund Balance-Budget to Actual Special Revenue Funds:	
Sheriff Equipment Fund	68-69
Ambulance Equipment Fund	70-71
Emergency Services Fund	72-73
Officer Training Fund	74
Park	75-76
D.A.R.E.	77-78
Friend of the Court Fund	79-80
Public Guardianship	81-82
Park Improvement	83-84
Hazardous Materials	85-86
Historical Commission	87-88
Gypsy Moth	89-90
Public Improvement Fund	91-92
Drug Law Enforcement	93-94
County Law Library Fund	95-96
Building Code Fund	97-98
County Library Fund	99-100
Council on Aging Fund	101-102
Strong Families/Safe Children Fund	103-104
Department of Human Services	105-106
Child Care Fund	107-108
Soldiers and Sailors Fund	109-110
Veterans Trust Fund	111
Basic Grant	112
Youth Services	113
Register of Deeds Automation	114-115
Airport	116-117

**OSCODA COUNTY
TABLE OF CONTENTS (CONTINUED)**

FIDUCIARY FUNDS

Combining Balance Sheet - All Fiduciary Funds	118
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	119
Trust and Agency Fund Comparative Balance Sheet	120
Library Penal Fines Fund Comparative Balance Sheet	121



James M. Anderson, P.C.

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INDEPENDENT AUDITOR'S REPORT

June 22, 2006

Board of Commissioners
Oscoda County
Mio, Michigan 48647

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Oscoda, Michigan, as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements of Oscoda County's primary government as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion based on my audit. I did not audit the financial statements of the Oscoda County Road Commission (special revenue discretely presented component unit) which represents 100 percent of the assets and revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for the Oscoda County Road Commission, is based on the reports of the other auditors.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the report of the other auditors provides a reasonable basis for our opinions.

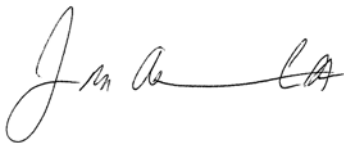
MEMBER MACPA and AICPA

In my opinion, based on my audit and the report of the other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Oscoda County, Michigan as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 22, 2006, on my consideration of Oscoda County's internal control over financial reporting and my test of its compliance with certain provision of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 3-8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Oscoda County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of Oscoda County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, based on my audit and the report of other auditors, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "J M Anderson".

JAMES M. ANDERSON, P.C.
CERTIFIED PUBLIC ACCOUNTANT

OSCODA COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Oscoda, we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County of Oscoda exceeded its liabilities as the close of the most recent fiscal year by \$5,804,693 (*net assets*). Of this amount, \$3,895,332 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County of Oscoda's governmental funds reported combined ending net assets of \$3,763,959.
- At December 31, 2005, unreserved fund balance of General Fund was \$316,562, or 8% of General Fund annual expenditures.
- 100% Tax Payment Enterprise Fund ended year with \$2,040,734 net assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Oscoda County's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Oscoda County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of Oscoda County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Oscoda County is improving or deteriorating.

The *Statement of Activities* presents information showing how the Oscoda County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes and earned but unused vacation leave).

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

Both of the government-wide financial statements distinguish functions of Oscoda County that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). *Governmental activities* include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, recreation and culture, and other functions. *Business-type activities* include delinquent tax collections.

The county's governmental activities also include a legally separate entity (component unit) for which the county is financially accountable. The *component unit* included is the Oscoda County Road Commission. Financial information for the balance of the component unit is reported separately from the financial information presented for the primary government itself. A separately issued report can be obtained from the component unit's office as stated in Note A.

Fund Financial Statements. A fund is a grouping of related accounts and is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Oscoda like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Oscoda County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Most of the county's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the county's general governmental operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

The County of Oscoda maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, ambulance, housing commission, and County Revenue Sharing Reserve funds, each of which is considered to be a major fund. Data for the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary Funds. The county maintains only one of the two different types of proprietary funds: enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The county uses enterprise funds to account for its delinquent tax collections. *Internal service funds* are used to accumulate and allocate costs internally among the county's various functions. Oscoda County has no internal service funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only with more detail. The proprietary fund financial statements provide separate information for each enterprise fund.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds and combining component unit funds are presented immediately following the General Fund detail schedule of Expenditures.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial analysis focuses on the net assets and changes in net assets of the governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the county's assets exceeded its liabilities by \$5,804,693 at December 31, 2005.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

County of Oscoda's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 5,211,540	\$ 4,558,953	\$ 2,065,630	\$ 2,125,000	\$ 7,277,170	\$ 6,683,953
Capital assets	<u>1,840,563</u>	<u>1,872,684</u>	<u>-0-</u>	<u>-0-</u>	<u>1,840,563</u>	<u>1,872,684</u>
Total Assets	<u>7,052,103</u>	<u>6,431,637</u>	<u>2,065,630</u>	<u>2,125,000</u>	<u>9,117,733</u>	<u>8,556,637</u>
Long-term liabilities	62,370	75,675	-0-	-0-	62,370	75,675
Other liabilities	<u>3,225,774</u>	<u>3,596,981</u>	<u>24,896</u>	<u>-0-</u>	<u>3,250,670</u>	<u>3,596,981</u>
Total Liabilities	<u>3,288,144</u>	<u>3,672,656</u>	<u>24,896</u>	<u>-0-</u>	<u>3,313,040</u>	<u>3,672,656</u>
Net assets						
Invested in capital assets						
Net of related debt	1,840,563	1,872,684	-0-	-0-	1,840,563	1,872,684
Restricted	59,004	43,266	9,794	-0-	68,798	43,266
Unrestricted	<u>1,864,392</u>	<u>843,031</u>	<u>2,030,940</u>	<u>2,125,000</u>	<u>3,895,332</u>	<u>2,968,031</u>
Total Net Assets	<u>\$ 3,763,959</u>	<u>\$ 2,758,981</u>	<u>\$ 2,040,734</u>	<u>\$ 2,125,000</u>	<u>\$ 5,804,693</u>	<u>\$ 4,883,981</u>

A large portion of the county's net assets, \$1,840,563 (32 percent), reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The largest portion of the county's net assets, \$3,895,332 (67 percent), represents *unrestricted net assets* that may be used to meet the county's ongoing obligations to citizens and creditors.

The remaining balance of \$68,798, (1 percent), represents resources that are subject to external restrictions on how they may be used.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

County of Oscoda Changes in Net Assets

	Government Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue						
Program revenue						
Charges for services	\$ 1,217,940	\$ 1,159,692	\$ 142,566	\$ 240,967	\$ 1,360,506	\$ 1,400,659
Operating grants and contributions	1,166,657	1,125,612	-0-	-0-	1,166,657	1,125,612
Capital grants	109,426	68,442	-0-	-0-	109,426	68,442
General revenue						
Property taxes	3,381,881	2,280,100	-0-	-0-	3,381,881	2,280,100
Other	120,054	144,254	56,075	23,020	176,129	167,274
Total Revenue	5,995,958	4,778,100	198,641	263,987	6,194,599	5,042,087
Expenses						
Legislative	137,648	135,617	-0-	-0-	137,648	135,617
Judicial	540,914	529,134	-0-	-0-	540,914	529,134
General government	1,379,973	1,390,242	-0-	-0-	1,379,973	1,390,242
Public safety	1,866,534	1,748,384	-0-	-0-	1,866,534	1,748,384
Public works	-0-	45,882	-0-	-0-	-0-	45,882
Health and welfare	1,065,486	1,038,472	-0-	-0-	1,065,486	1,038,472
Recreation and cultural	246,204	264,950	-0-	-0-	246,204	264,950
Delinquent property tax	-0-	-0-	37,128	22,942	37,128	22,942
Total Expenses	5,236,759	5,152,681	37,128	22,942	5,273,887	5,175,623
Increase (decrease) in net assets before transfers	759,199	(374,581)	161,513	241,942	920,712	(133,536)
Transfers	245,779	282,000	(245,779)	(282,000)	-0-	-0-
Increase in net assets	1,004,978	(92,581)	(84,266)	(40,955)	920,712	(133,536)
Net Assets – beginning of year	2,758,981	2,851,562	2,125,000	2,165,955	4,883,981	5,017,517
Net Assets – end of year	<u>\$ 3,763,959</u>	<u>\$ 2,758,981</u>	<u>\$ 2,040,734</u>	<u>\$ 2,125,000</u>	<u>\$ 5,804,693</u>	<u>\$ 4,883,981</u>

The county's net assets increased by \$920,712 during the current year. This increase is attributable to the increase in property tax revenues and the establishment of the County Revenue Sharing Reserve Fund.

Governmental Activities. Governmental activities increased the county's net assets by \$1,004,978. Without the transfer of \$245,779 from the 100% Tax Payment Enterprise Funds, the Governmental activities would have resulted in a net asset increase of \$759,199.

Business-Type Activities. Business-type activities decreased the county's net assets by \$84,266. The decrease is from transfers to the General Fund.

FINANCIAL ANALYSIS

Increases in expenditures during 2005 were mainly due to employee payroll and insurance benefit increases, most of which were set by multi-year contracts between Oscoda County and the employee unions.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

FINANCIAL ANALYSIS (CONTINUED)

Oscoda County continues to report fixed assets in accordance with GASB No. 34. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the estimated useful life. The detailed fixed asset statement may be reviewed at the Commissioner's office.

The County expended an additional \$149,868 in the Sheriff Department, Traffic Safety and Jail in 2005 to a total of \$1,034,822 for those three Cost Centers. This was partially funded by a millage for Sheriff operations, which totaled \$301,086.

The County received a Homeland Security Grant totaling \$123,857 and a USDA grant totaling \$150,000. The County also received \$23,678 in Title III grant money which was used to subsidize several County department budgets.

Oscoda County has updated its Ambulance Service from Basic Life Support to Advanced Life Support. This allows our citizens to have access to paramedics immediately and receive advanced care.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

This is the second year the County will use their Revenue Sharing Fund (RSRF). The RSRF is used to pay counties the State Shared Revenue that the State of Michigan would normally pay to Counties. This shift in tax collection results in additional burden on taxpayers. It will also require Oscoda County to use its fund balance to operate from January to July long after the RSRF is exhausted. This will result in lost interest.

The State of Michigan Payments-in-Lieu-of-Tax (PILT) will no longer be on the tax roll after this year.

Our tax revolving fund has grown to the point that future increases may be considered for use as funding for budget stabilization and/or capital improvements funds.

NEXT YEAR'S FORECAST

Oscoda County expects more cuts in state funding in the future and plans to continue to look for other funding sources such as grants as well as closely monitor cost increases.

Oscoda County will continue to improve countywide emergency response training, equipment and communications. Grants have been written and funding has been requested to accomplish these goals.

CLOSING

This financial report is intended to provide our citizens, taxpayers and the general public with an overview of county finances and how they are spent.

OSCODA COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Primary Government			Component
	Governmental	Business Type		Unit
	Activities	Activities	Total	Road Commission
ASSETS				
Cash and investments	\$ 1,858,882	\$ 1,753,229	\$ 3,612,111	\$ 722,713
Receivables				
Accounts receivable	314,150	-0-	314,150	78,186
Current tax	2,151,264	-0-	2,151,264	-0-
Delinquent tax	-0-	304,104	304,104	-0-
Interest	11,696	8,014	19,710	-0-
Other governments	273,038	283	273,321	370,614
Mortgages	415,113	-0-	415,113	-0-
EDC revolving loans	145,832	-0-	145,832	-0-
Prepaid insurance	41,565	-0-	41,565	-0-
Inventories	-0-	-0-	-0-	636,003
Capital assets - net	<u>1,840,563</u>	<u>-0-</u>	<u>1,840,563</u>	<u>4,217,160</u>
Total Assets	<u>7,052,103</u>	<u>2,065,630</u>	<u>9,117,733</u>	<u>6,024,676</u>
LIABILITIES				
Accounts payable	181,504	-0-	181,504	29,076
Accrued liabilities	35,517	-0-	35,517	32,746
Due to other governmental				
Units	28,000	24,896	52,896	-0-
Deferred revenue	2,980,753	-0-	2,980,753	-0-
Long-term liabilities				
Accrued compensated				
absences	<u>62,370</u>	<u>-0-</u>	<u>62,370</u>	<u>128,872</u>
Total Liabilities	<u>3,288,144</u>	<u>24,896</u>	<u>3,313,040</u>	<u>190,694</u>
NET ASSETS				
Investment in capital assets				
Net of related debt	1,840,563	-0-	1,840,563	4,217,160
Restricted for:				
Family counseling	19,894	-0-	19,894	-0-
Title III	19,132	-0-	19,132	-0-
Drunk driving caseflow				
assistance	12,853	-0-	12,853	-0-
EDC revolving loans	7,125	-0-	7,125	-0-
Delinquent property tax				
collections	-0-	9,794	9,794	-0-
County roads	-0-	-0-	-0-	1,616,822
Unrestricted	<u>1,864,392</u>	<u>2,030,940</u>	<u>3,895,332</u>	<u>-0-</u>
Total Net Assets	<u>\$ 3,763,959</u>	<u>\$ 2,040,734</u>	<u>\$ 5,804,693</u>	<u>\$5,833,982</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental activities					
Legislative	\$ 137,648	\$ -0-	\$ -0-	\$ -0-	\$ (137,648)
Judicial	540,914	275,346	219,561	-0-	(46,007)
General government	1,379,973	294,173	264,450	-0-	(821,350)
Public safety	1,866,534	436,503	228,741	109,426	(1,091,864)
Public works	-0-	6,763	-0-	-0-	6,763
Health and welfare	1,065,486	89,874	365,577	-0-	(610,035)
Recreation & cultural	246,204	115,281	88,328	-0-	(42,595)
Total Governmental Activities	<u>5,236,759</u>	<u>1,217,940</u>	<u>1,166,657</u>	<u>109,426</u>	<u>(2,742,736)</u>
Business-type activities					
Delinquent property tax	<u>37,128</u>	<u>142,566</u>	<u>-0-</u>	<u>-0-</u>	<u>105,438</u>
Total Business- type Activities	<u>37,128</u>	<u>142,566</u>	<u>-0-</u>	<u>-0-</u>	<u>105,438</u>
Total Primary Government	<u>\$ 5,273,887</u>	<u>\$ 1,360,506</u>	<u>\$ 1,166,657</u>	<u>\$ 109,426</u>	<u>\$(2,637,298)</u>
Component unit					
Road commission	<u>\$ 2,440,280</u>	<u>\$ 25,623</u>	<u>\$ 2,677,016</u>	<u>\$ -0-</u>	<u>\$ 262,359</u>
Total Component Units	<u>\$ 2,440,280</u>	<u>\$ 25,623</u>	<u>\$ 2,677,016</u>	<u>\$ -0-</u>	<u>\$ 262,359</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
STATEMENT OF ACTIVITIES (Concluded)
FOR THE YEAR ENDED DECEMBER 31, 2005

	Primary Government			Component Units Road Commission
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
Changes in net assets				
Net (expense) revenue	<u>\$ (2,742,736)</u>	<u>\$ 105,438</u>	<u>\$ (2,637,298)</u>	<u>\$ 262,359</u>
General Revenues:				
Property taxes	3,381,881	-0-	3,381,881	-0-
Convention tax	45,102	-0-	45,102	-0-
Cigarette tax	5,887	-0-	5,887	-0-
Unrestricted investment earnings	62,693	56,075	118,768	21,609
Sales of capital assets	6,372	-0-	6,372	2,713
Transfers - internal activities	<u>245,779</u>	<u>(245,779)</u>	<u>-0-</u>	<u>-0-</u>
Total General Revenues, Contributions and Transfers	<u>3,747,714</u>	<u>(189,704)</u>	<u>3,558,010</u>	<u>24,322</u>
Change in net assets	1,004,978	(84,266)	920,712	286,681
Net assets - beginning of year	<u>2,758,981</u>	<u>2,125,000</u>	<u>4,883,981</u>	<u>5,547,301</u>
Net assets - end of year	<u>\$ 3,763,959</u>	<u>\$ 2,040,734</u>	<u>\$ 5,804,693</u>	<u>\$ 5,833,982</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

ASSETS	General Fund	Ambulance Fund	HUD Fund
Cash demand and time deposits	\$ 220,289	\$ 251,739	\$ 47,178
Taxes receivable	1,624,673	152,204	-0-
Accounts receivable	-0-	310,169	-0-
Interest receivable	9,205	864	-0-
Due from other funds	19,858	1,890	-0-
Due from governmental units	183,584	-0-	-0-
Prepaid expenses	33,775	996	-0-
Long-term mortgages receivable	-0-	-0-	415,113
EDC revolving loans	145,832	-0-	-0-
Total Assets	<u>\$ 2,237,216</u>	<u>\$ 717,862</u>	<u>\$ 462,291</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 107,189	\$ 7,186	\$ 16,848
Due to other funds	3,041	6,916	8,137
Due to governmental units	-0-	-0-	-0-
Accrued liabilities	25,410	4,734	-0-
Deferred revenue	1,728,880	462,373	415,113
Total Liabilities	<u>1,864,520</u>	<u>481,209</u>	<u>440,098</u>
Fund Equity:			
Reserved for family counseling	19,894	-0-	-0-
Reserved for district court caseflow assistance	12,853	-0-	-0-
Reserved for forest service	16,262	-0-	-0-
Reserved for EDC revolving loans	7,125	-0-	-0-
Undesignated	316,562	236,653	22,193
Total Fund Equity	<u>372,696</u>	<u>236,653</u>	<u>22,193</u>
Total Liabilities and Fund Equity	<u>\$ 2,237,216</u>	<u>\$ 717,862</u>	<u>\$ 462,291</u>

The accompanying notes are an integral part of these financial statements.

Revenue Sharing Reserve	Other Funds	Total
\$ 454,096	\$ 885,580	\$ 1,858,882
-0-	374,387	2,151,264
-0-	3,981	314,150
-0-	1,627	11,696
-0-	13,067	34,815
-0-	89,454	273,038
-0-	6,794	41,565
-0-	-0-	415,113
-0-	-0-	145,832
<u>\$ 454,096</u>	<u>\$ 1,374,890</u>	<u>\$ 5,246,355</u>
\$ -0-	\$ 50,281	\$ 181,504
-0-	16,721	34,815
-0-	28,000	28,000
-0-	5,373	35,517
-0-	374,387	2,980,753
<u>-0-</u>	<u>474,762</u>	<u>3,260,589</u>
-0-	-0-	19,894
-0-	-0-	12,853
-0-	2,870	19,132
-0-	-0-	7,125
<u>454,096</u>	<u>897,258</u>	<u>1,926,762</u>
<u>454,096</u>	<u>900,128</u>	<u>1,985,766</u>
<u>\$ 454,096</u>	<u>\$ 1,374,890</u>	<u>\$ 5,246,355</u>

OSCODA COUNTY
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
DECEMBER 31, 2005

Fund balances - total governmental funds	\$ 1,985,766
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets	4,095,817
Deduct - accumulated depreciation	(2,255,254)
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	<u>(62,370)</u>
Net assets of governmental activities	<u>\$ 3,763,959</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2005

	<u>General Fund</u>	<u>Ambulance Fund</u>
Revenue:		
Taxes	\$ 2,261,819	\$ 146,392
Licenses and permits	13,455	-0-
Federal	297,535	-0-
State	323,700	-0-
Charges for services	522,825	268,863
Fines and forfeits	12,760	-0-
Interest earned	32,790	7,633
Rents and royalties	12,840	-0-
Reimbursements and refunds	19,641	-0-
Other	-0-	-0-
Total Revenue	<u>3,497,365</u>	<u>422,888</u>
Expenditures:		
Legislative	133,602	-0-
Judicial	419,037	-0-
General government	1,017,966	-0-
Public safety	1,232,094	316,911
Health and welfare	278,147	-0-
Recreation and cultural	-0-	-0-
Other	289,865	-0-
Total Expenditures	<u>3,370,711</u>	<u>316,911</u>
Excess:		
Revenue over (under) expenditures	<u>126,654</u>	<u>105,977</u>
Other Financing Sources:		
Operating transfers in	492,860	-0-
Operating transfers out	<u>(385,086)</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>107,774</u>	<u>-0-</u>
Excess:		
Revenue and other financing sources over (under) expenditures and other financing uses	234,428	105,977
Fund balance (deficit) - January 1	<u>138,268</u>	<u>130,676</u>
Fund balance (deficit) - December 31	<u>\$ 372,696</u>	<u>\$ 236,653</u>

The accompanying notes are an integral part of these financial statements.

<u>HUD Fund</u>	<u>Revenue Sharing Reserve</u>	<u>Other Funds</u>	<u>Totals</u>
\$ -0-	\$ 609,425	\$ 364,245	\$ 3,381,881
-0-	-0-	129,277	142,732
14,898	-0-	15,863	328,296
32,114	-0-	496,861	852,675
-0-	-0-	117,209	908,897
-0-	-0-	80,138	92,898
-0-	-0-	29,928	70,351
-0-	4,013	-0-	16,853
-0-	-0-	-0-	19,641
80,483	-0-	101,251	181,734
<u>127,495</u>	<u>613,438</u>	<u>1,334,772</u>	<u>5,995,958</u>
-0-	-0-	-0-	133,602
-0-	-0-	121,315	540,352
-0-	-0-	87,845	1,105,811
-0-	-0-	325,111	1,874,116
123,803	-0-	663,536	1,065,486
-0-	-0-	208,711	208,711
-0-	-0-	-0-	289,865
<u>123,803</u>	<u>-0-</u>	<u>1,406,518</u>	<u>5,217,943</u>
<u>3,692</u>	<u>613,438</u>	<u>(71,746)</u>	<u>778,015</u>
-0-	-0-	313,597	806,457
-0-	(159,342)	(16,250)	(560,678)
-0-	(159,342)	297,347	245,779
3,692	454,096	225,601	1,023,794
<u>18,501</u>	<u>-0-</u>	<u>674,527</u>	<u>961,972</u>
<u>\$ 22,193</u>	<u>\$ 454,096</u>	<u>\$ 900,128</u>	<u>\$ 1,985,766</u>

OSCODA COUNTY
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
FOR THE YEAR ENDED DECEMBER 31, 2005

Net change in fund balances - total governmental funds	\$ 1,023,794
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Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	213,613
Deduct - depreciation expense	(245,734)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Add - decrease in the accrual for compensated absences	<u>13,305</u>
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Change in net assets of governmental activities	<u><u>\$ 1,004,978</u></u>
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The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash demand and time deposits	\$ 220,289	\$ 49,207
Prepaid expenses	33,775	31,471
Interest receivable	9,205	-0-
Due from other governmental units	183,584	139,006
Due from other funds	19,858	19,858
Taxes receivable	1,624,673	2,128,349
EDC revolving loans	<u>145,832</u>	<u>-0-</u>
Total Assets	<u>\$ 2,237,216</u>	<u>\$ 2,367,891</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 107,189	\$ 76,913
Due to other funds	3,041	3,041
Accrued liabilities	25,410	21,320
Deferred revenue	<u>1,728,880</u>	<u>2,128,349</u>
Total Liabilities	<u>1,864,520</u>	<u>2,229,623</u>
Fund Equity:		
Fund balance:		
Reserved for family counseling	19,894	19,459
Reserved for district court		
caseflow assistance	12,853	9,787
Reserved for forest service	16,262	14,020
Reserved for EDC revolving loans	7,125	-0-
Undesignated	<u>316,562</u>	<u>95,002</u>
Total Fund Equity	<u>372,696</u>	<u>138,268</u>
Total Liabilities and Fund Equity	<u>\$ 2,237,216</u>	<u>\$ 2,367,891</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Taxes	\$ 2,252,045	\$ 2,252,045	\$ 2,261,819	\$ 9,774
Licenses and permits	10,520	10,520	13,455	2,935
Federal	132,500	132,500	297,535	165,035
State	364,718	364,718	323,700	(41,018)
Charges for services	429,115	429,115	522,825	93,710
Fines and forfeitures	13,000	13,000	12,760	(240)
Interest earned	20,000	20,000	32,790	12,790
Rents	11,933	11,933	12,840	907
Reimbursements and refunds	38,634	38,634	19,641	(18,993)
Total Revenue	<u>3,272,465</u>	<u>3,272,465</u>	<u>3,497,365</u>	<u>224,900</u>
Expenditures:				
Legislative	135,237	135,237	133,602	1,635
Judicial	449,224	449,224	419,037	30,187
General government	1,041,376	1,046,578	1,017,966	28,612
Public safety	1,174,991	1,174,991	1,232,094	(57,103)
Health and welfare	122,980	122,980	278,147	(155,167)
Other	480,603	475,401	289,865	185,536
Total Expenditures	<u>3,404,411</u>	<u>3,404,411</u>	<u>3,370,711</u>	<u>33,700</u>
Excess:				
Revenues over (under) expenditures	<u>(131,946)</u>	<u>(131,946)</u>	<u>126,654</u>	<u>258,600</u>
Other Financing Sources (Uses):				
Operating transfers in	354,842	354,842	492,860	138,018
Operating transfers out	<u>(222,896)</u>	<u>(222,896)</u>	<u>(385,086)</u>	<u>(162,190)</u>
Total Other Financing Sources (Uses)	<u>131,946</u>	<u>131,946</u>	<u>107,774</u>	<u>(24,172)</u>
Excess:				
Revenue and other financing sources over (under) expenditures and other financing uses	-0-	-0-	234,428	234,428
Fund balance (deficit) - January 1	<u>138,268</u>	<u>138,268</u>	<u>138,268</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 138,268</u>	<u>\$ 138,268</u>	<u>\$ 372,696</u>	<u>\$ 234,428</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
AMBULANCE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 251,739	\$ 154,076
Accounts receivable	310,169	305,898
Prepaid expenses	996	945
Interest receivable	864	-0-
Due from other funds	1,890	1,890
Taxes receivable	<u>152,204</u>	<u>146,087</u>
Total Assets	<u>\$ 717,862</u>	<u>\$ 608,896</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 7,186	\$ 13,987
Accrued liabilities	4,734	5,332
Due to other funds	6,916	6,916
Deferred revenue	<u>462,373</u>	<u>451,985</u>
Total Liabilities	<u>481,209</u>	<u>478,220</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>236,653</u>	<u>130,676</u>
Total Fund Equity	<u>236,653</u>	<u>130,676</u>
Total Liabilities and Fund Equity	<u>\$ 717,862</u>	<u>\$ 608,896</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
 AMBULANCE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Property taxes	\$ 146,750	\$ 146,750	\$ 146,392	\$ (358)
Ambulance fees	220,000	220,000	268,863	48,863
Interest	<u>600</u>	<u>600</u>	<u>7,633</u>	<u>7,033</u>
Total Revenue	<u>367,350</u>	<u>367,350</u>	<u>422,888</u>	<u>55,538</u>
Expenditures:				
Salaries	232,720	232,720	192,540	40,180
Fringes	43,900	43,900	38,983	4,917
Supplies	19,000	19,000	23,978	(4,978)
Repair and maintenance	9,285	9,285	9,474	(189)
Uniforms and laundry	1,925	1,925	2,603	(678)
Employee training	3,000	3,000	1,015	1,985
Gas and oil	6,800	6,800	9,115	(2,315)
Contractual service	33,000	33,000	26,746	6,254
Physicals	240	240	364	(124)
Travel	100	100	367	(267)
Insurance	5,300	5,300	6,216	(916)
Utilities	5,900	5,900	2,279	3,621
Capital outlay	1,000	1,000	-0-	1,000
Miscellaneous	<u>4,900</u>	<u>4,900</u>	<u>3,231</u>	<u>1,669</u>
Total Expenditures	<u>367,070</u>	<u>367,070</u>	<u>316,911</u>	<u>50,159</u>
Excess:				
Revenues over (under) expenditures	280	280	105,977	105,697
Fund Balance (deficit) - January 1	<u>130,676</u>	<u>130,676</u>	<u>130,676</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 130,956</u>	<u>\$ 130,956</u>	<u>\$ 236,653</u>	<u>\$ 105,697</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
HUD FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 47,178	\$ 12,861
Loans receivable	415,113	429,025
Due from other governmental units	<u>-0-</u>	<u>34,088</u>
Total Assets	<u>\$ 462,291</u>	<u>\$ 475,974</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 16,848	\$ -0-
Due to other funds	8,137	8,138
Due to state	-0-	14,721
Due to federal	-0-	5,589
Deferred revenue	<u>415,113</u>	<u>429,025</u>
Total Liabilities	<u>440,098</u>	<u>457,473</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>22,193</u>	<u>18,501</u>
Total Fund Equity	<u>22,193</u>	<u>18,501</u>
Total Liabilities and Fund Equity	<u>\$ 462,291</u>	<u>\$ 475,974</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
 HUD FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Federal	\$ 133,927	\$ 133,927	\$ 14,898	\$ (119,029)
State	95,000	95,000	32,114	(62,886)
Loan repayments	<u>35,695</u>	<u>35,695</u>	<u>80,483</u>	<u>44,788</u>
Total Revenue	<u>264,622</u>	<u>264,622</u>	<u>127,495</u>	<u>(137,127)</u>
Expenditures:				
Salaries and per diem	17,101	17,101	15,603	1,498
Fringes	6,503	6,503	7,068	(565)
Supplies	1,250	1,250	1,734	(484)
Contractual services	<u>130,810</u>	<u>130,810</u>	<u>99,398</u>	<u>31,412</u>
Total Expenditures	<u>155,664</u>	<u>155,664</u>	<u>123,803</u>	<u>31,861</u>
Excess:				
Revenue over (under) expenditures	108,958	108,958	3,692	(105,266)
Fund balance (deficit) - January 1	<u>18,501</u>	<u>18,501</u>	<u>18,501</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 127,459</u>	<u>\$ 127,459</u>	<u>\$ 22,193</u>	<u>\$ (105,266)</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
COUNTY REVENUE SHARING RESERVE FUND
BALANCE SHEET
DECEMBER 31, 2005

	<u>2005</u>
ASSETS	
Cash and Investments	\$ <u>454,096</u>
Total Assets	\$ <u><u>454,096</u></u>
FUND EQUITY	
Fund Balance:	
Undesignated	\$ <u>454,096</u>
Total Fund Equity	\$ <u><u>454,096</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Property taxes	\$ -0-	\$ -0-	\$ 609,425	\$ 609,425
Interest	<u>-0-</u>	<u>-0-</u>	<u>4,013</u>	<u>4,013</u>
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>613,438</u>	<u>613,438</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>-0-</u>	<u>-0-</u>	<u>(159,342)</u>	<u>(159,342)</u>
Total Other Financing Uses	<u>-0-</u>	<u>-0-</u>	<u>(159,342)</u>	<u>(159,342)</u>
Excess:				
Revenue over (under) other financing sources (uses)	-0-	-0-	454,096	454,096
Fund Balance (Deficit) - January 1	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit) - December 31	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 454,096</u></u>	<u><u>\$ 454,096</u></u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
100% TAX PAYMENT ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 1,389,914	\$ 1,675,774
Investments	363,315	155,895
Taxes receivable	304,104	289,005
Interest receivable	8,014	3,385
Due from other governmental units	<u>283</u>	<u>941</u>
Total Assets	<u>2,065,630</u>	<u>2,125,000</u>
LIABILITIES		
Liabilities:		
Due to other governmental units	<u>24,896</u>	<u>-0-</u>
Total Liabilities	<u>24,896</u>	<u>-0-</u>
NET ASSETS		
Restricted for delinquent property collections	9,794	-0-
Unrestricted	<u>2,030,940</u>	<u>2,125,000</u>
Total Net Assets	<u>\$ 2,040,734</u>	<u>\$ 2,125,000</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
 100% TAX PAYMENT ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2005 AND COMPARISON TO DECEMBER 31, 2004

	<u>2005</u>	<u>2004</u>
Operating Revenues:		
Penalties on taxes	\$ 62,475	\$ 174,129
Collection fees	<u>80,091</u>	<u>66,838</u>
Total Operating Revenues	<u>142,566</u>	<u>240,967</u>
Operating Expenses:		
Administrative costs	<u>37,128</u>	<u>22,942</u>
Total Operating Expenses	<u>37,128</u>	<u>22,942</u>
Operating Income	<u>105,438</u>	<u>218,025</u>
Nonoperating Revenue (Expenses):		
Interest revenue	56,075	23,020
Operating transfers	<u>(245,779)</u>	<u>(282,000)</u>
Total Nonoperating Revenue (Expenses)	<u>(189,704)</u>	<u>(258,980)</u>
Net Income (Loss)	(84,266)	(40,955)
Net Assets - January 1	<u>2,125,000</u>	<u>2,165,955</u>
Net Assets - December 31	<u><u>\$ 2,040,734</u></u>	<u><u>\$ 2,125,000</u></u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
 100% TAX PAYMENT ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2005 AND COMPARISON TO DECEMBER 31, 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (84,266)	\$ (40,955)
Adjustments to reconcile net income to net cash flows from operating activities:		
Changes in assets and liabilities:		
Decrease (increase) in taxes receivable	(15,099)	170,999
Decrease (increase) in interest receivable	(4,629)	(1,769)
Decrease (increase) in due from other governmental units	658	38,616
Increase (decrease) in due to other governmental units	<u>24,896</u>	<u>(40,675)</u>
Net Cash Provided From (Used For) Operating Activities	<u>(78,440)</u>	<u>126,216</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(78,440)	126,216
Cash and Cash Equivalents at January 1	<u>1,831,669</u>	<u>1,705,453</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 1,753,229</u></u>	<u><u>\$ 1,831,669</u></u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
STATEMENT OF FIDUCIARY FUND NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2005

ASSETS

Cash demand and time deposits	<u>\$ 451,322</u>
Total Assets	<u><u>\$ 451,322</u></u>

LIABILITIES

Due to governmental units	\$ 45,065
Undistributed collections	365,881
Other current liabilities	<u>40,376</u>
Total Liabilities	<u><u>\$ 451,322</u></u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies:

DESCRIPTION OF COUNTY OPERATIONS AND FUND TYPES

The County was organized in 1881 and covers an area of approximately 565 square miles with the County seat located in Mio, Michigan. The County operates under an elected Board of Commissioners of five (5) members and provides services, assistance and care to its more than 9,298 residents, primarily from the operations of its General Fund and Special Revenue Funds. The County's services, assistance and care include the (1) general county departments, boards and commissions; (2) court system administration; (3) law enforcement and corrections; (4) assistance and/or institutional care to the aged, needy, wards of the court and neglected children, public and mental health recipients; (5) libraries, and (6) recreation.

REPORTING ENTITY

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity," these financial statements present Oscoda County (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

COMPONENT UNITS - In conformity with generally accepted accounting principles, the financial statements of Component Units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

DISCRETELY PRESENTED COMPONENT UNITS - The Component Units' Columns in the Combined Financial Statements include the financial data of the Oscoda County Road Commission. These financial statements are reported in a separate column to emphasize that they are legally separate from the County.

OSCODA COUNTY ROAD COMMISSION: The Road Commission operates under an elected Board of Commissioners; however, the Road Commission is fiscally dependent on the County because treasury functions are maintained by the County Treasurer, the County approval is needed for entering into certain types of debt, and it would be misleading to exclude these financial statements from the Reporting Entity's financial statements. Copies of the separately audited financial statements of the Road Commission can be obtained at their business office located at 308 W. 8th Street, Mio, Michigan, 48647.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

JOINT VENTURE - Oscoda County was an equal participant with Montmorency County in a joint venture to operate a sanitary landfill. The landfill was governed by representatives of both Counties. Each County had an equal ownership of the landfill and an ongoing financial responsibility. Treasury functions, were maintained by the Montmorency County Treasurer. During 1999, a landfill authority was established which includes Montmorency and Alpena County. All Treasury functions are the responsibility of Montmorency County. According to Governmental Accounting Standard Board Statement No. 14, the Landfill Authority is included in the Montmorency County financial statements. A copy of the financial statements can be obtained from the Montmorency County Clerk, Atlanta, Michigan 49709.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and select compensated absences are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Ambulance Fund - This fund is used to account for revenue collected and operational expenses for the ambulance service provided by Oscoda County.

HUD Fund - This fund is used to account for the mortgage receivables and related program income and expenses for the housing grants administered by the County.

County Revenue Sharing Reserve Fund - This fund was established to account for the portion of General Fund property taxes levied in the summer to replace the State Revenue Sharing payments from the State of Michigan.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED):

The County reports the following major enterprise fund:

Tax Payment Fund - This fund is used to pay each local governmental unit, including the County General Fund, the respective amount of taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Agency Funds are used to account for assets held on behalf of outside parties, including other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are interest and penalties on delinquent taxes and charges for services provided. Operating expenses for the enterprise funds consist of administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

BUDGETS AND BUDGETARY ACCOUNTING - Except as noted, all fund types and funds are under direct or superintending budgetary control of the County Board of Commissioners. Certain funds budgets are controlled by other County boards or commissions and/or department heads and certain program budgets are in effect for fiscal periods other than the County's fiscal year.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Governing board of commissions and/or department heads responsible for certain fund budgets transmit the budgetary information to the County Board of Commissioners for review and inclusion in the County's General and Special Appropriations Acts as required by the Uniform Budgeting and Accounting Act - Michigan Public Act 621 of 1978.

In accordance with the Uniform Budgeting and Accounting Act the County Board of Commissioners is responsible for all County funds except the County Road Fund which is the responsibility of the Board of County Road Commissioners and the Library Fund is the responsibility of the Library Board.

The County, through its appointed chief administrative and chief fiscal officer, follows the requirements of the Uniform Budgeting and Accounting Act in the preparation and execution of its annual budget. Any violations are disclosed in audits of the County's financial statements as required by law.

The budgets for the County's governmental fund types were adopted on a basis consistent with modified accrual basis of accounting consistent with the actual financial statements for the funds. The General Fund and Special Revenue Funds' budgets were reviewed and amended periodically throughout the year.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INVENTORY - County Road Commission (Component Unit) road equipment parts and materials inventory items are stated at cost and utilized the first-in, first-out method of accounting when used. All other inventories, including the cost of supplies for other County funds are recorded as expenditures at the time of purchase.

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings	30-50
Public domain infrastructure	8-50
Equipment	3-20

DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

PROPERTY TAXES

Assessed property values are established annually (the first Monday in March) by the local units of government and equalized by the State at an estimated 50% of current market value. Property taxable value is determined in accordance with (MCL 211.34d). The property taxes are levied based on taxable value on December 1, and are payable without penalty through the following February 28.

Real property taxes not paid by February 28 are purchased by the County as part of the March tax settlement. County property taxes are recognized as revenue in the current fiscal year when services financed by the levy are being provided.

The December 2004 taxable valuation of Oscoda County amounted to \$301,086,374 on which ad valorem taxes of 6.0689 mills were levied for operations, .25 mills for Sheriff Equipment, 1.0 mills for Sheriff operations, .4581 mills for the Commission on Aging, .4852 mills for Ambulance operations and .50 mills for the Ambulance Equipment.

During 2005 the County was required by Public Act 357 of 2004, to set aside one-third of the December 2004 levy from County operations into a new fund called the Revenue Sharing Reserve Fund, leaving two-thirds of the levy for County General Fund operations. In July 2005, the County levied one-third of the property taxes for County operations and these funds were used to fund operations for the 2005 fiscal year. For the December 1, 2005 levy, the County levied two-thirds of the total number of mills allocated for County operations, with \$609,087 going into the Revenue Sharing Reserve Fund and the remaining amount going into the General Fund to cover fiscal year 2006 operations. In July 2006, the County will levy two-thirds of the total number of mills allocated for County operations and the proceeds from this levy will fund County operations for the 2006 fiscal year. For the December 1, 2006 levy, the County will levy one-third of the total number of mills allocated for County operations, with \$609,087 going into the Revenue Sharing Reserve Fund and the remaining amount going into the County General Fund to cover fiscal year 2007 operations. In July 2007, the County will levy the entire allocated County operating mills, which will be used to cover County operations for the 2007 fiscal year. For fiscal years 2007 and beyond, the County's operating mills will be levied as part of the July levy, leaving only the extra voted mills to be levied each December.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES (CONTINUED)

Because County operating mills will be levied on July 1st for each fiscal year ended December 31, it is Roscommon County's policy to recognize revenue from the current tax levy in the current tax levy in the current year when the proceeds of this levy are budgeted and made available for financing operations. Available means collected within the current period or expected to be paid from the delinquent tax revolving fund within one year.

The Revenue Sharing Reserve Fund will be funded by property taxes in the amount of \$1,827,261 over a three-year period and will be used to transfer amounts annually to the General Fund in lieu of the County receiving State revenue sharing payments. The amounts to be transferred to the General Fund will be determined by the State of Michigan annually, an amount of \$159,342 was transferred for fiscal year 2005. The County estimates that the Revenue Sharing Reserve Fund will be depleted during the 2016 fiscal year.

INTERNAL BALANCES - Any residual balances outstanding between the governmental activities and business-type activity are reported in the government-wide financial statements as "internal balances."

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund type statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

OTHER FINANCING SOURCES AND USES - The transfers of cash between the various County funds are budgeted but reported separately from revenues and expenditures as operating transfers in or (out), unless they represent temporary advances that are to be repaid, in which case, they are carried as assets and liabilities of the advancing or borrowing funds.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE B - EXCESS EXPENDITURES OVER APPROPRIATIONS

Public Act 621 of 1978, section 18 (1), as amended, provides that a County shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County's actual expenditures and budgeted expenditures for the General Fund has been shown on a functional basis. The approved budget of the County for the General Fund was adopted on an activity and/or program level. During the year ended December 31, 2005, the General Fund and twelve of the County's Special Revenue Funds incurred functional expenditures which were in excess of amounts appropriated as follows:

<u>Fund/Function</u>	<u>Total Appropriations</u>	<u>Amount Expended</u>	<u>Budget Variance</u>
General Fund:			
Legislative:			
Board of commissioners	\$ 96,015	\$ 100,056	\$ (4,041)
Judicial:			
Probate court	\$ 87,337	\$ 89,415	\$ (2,078)
Jury commission	\$ 4,015	\$ 4,143	\$ (128)
General Government:			
Cooperative extension	\$ 50,125	\$ 56,511	\$ (6,386)
County clerk	\$ 100,825	\$ 103,134	\$ (2,309)
Courthouse and Grounds	\$ 182,531	\$ 190,646	\$ (8,115)
Equalization	\$ 129,166	\$ 131,478	\$ (2,312)
Motor pool	\$ 56,570	\$ 57,300	\$ (730)
Prosecuting attorney	\$ 154,552	\$ 159,267	\$ (4,715)
Treasurer	\$ 86,116	\$ 90,010	\$ (3,894)
Public Safety:			
Jail	\$ 200,000	\$ 300,567	\$ (100,567)
Traffic safety	\$ 50,370	\$ 51,025	\$ (655)
Health and Welfare:			
Economic development	\$ 11,627	\$ 162,459	\$ (150,832)
Substance abuse	\$ 22,500	\$ 22,551	\$ (51)
District health dept	\$ 55,553	\$ 62,170	\$ (6,617)
Youth services	\$ -0-	\$ 43	\$ (43)
Other Financing Uses:			
Operating Transfers Out:			
Child care	\$ 144,500	\$ 214,721	\$ (70,221)
Law library	\$ 2,972	\$ 3,972	\$ (1,000)
Park fund	\$ 3,000	\$ 6,000	\$ (3,000)
Public improvement	\$ -0-	\$ 25,500	\$ (25,500)
100% Tax payment fund	\$ -0-	\$ 71,489	\$ (71,489)
Special Revenue Funds:			
County revenue sharing reserve	\$ -0-	\$ 159,342	\$ (159,342)
Emergency services	\$ 106,662	\$ 113,333	\$ (6,671)
Park	\$ 104,829	\$ 109,597	\$ (4,768)
Historical commission	\$ 5,025	\$ 5,543	\$ (518)
Gypsy moth	\$ -0-	\$ 33	\$ (33)
Public improvement	\$ 20,000	\$ 47,087	\$ (27,087)
Law library	\$ 4,972	\$ 5,876	\$ (904)
Building code	\$ 134,073	\$ 134,695	\$ (622)
Council on aging	\$ 125,000	\$ 180,000	\$ (55,000)
Soldiers and sailors	\$ 7,500	\$ 9,266	\$ (1,766)
Basic grant	\$ 15,000	\$ 16,250	\$ (1,250)
R.O.D. automation	\$ 20,000	\$ 23,234	\$ (3,234)

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE C - CASH AND INVESTMENTS

The captions on the combined balance sheet related to deposits and investments are as follows:

	<u>Cash and Deposits</u>	<u>Investments</u>	<u>Total</u>
Primary Government:			
Government activities	\$ 1,858,882	\$ -0-	\$ 1,858,882
Business-type activities	1,389,914	363,315	1,753,229
Agency funds	451,322	-0-	451,322
Component Units:			
Road commission	<u>722,713</u>	<u>-0-</u>	<u>722,713</u>
Total	<u>\$ 4,422,831</u>	<u>\$ 363,315</u>	<u>\$ 4,786,146</u>

The Government Accounting Standards Board Statement No. 3, risk disclosures for Oscoda County's cash deposits are as follows:

	<u>Carrying Amount</u>		
	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Insured (FDIC)	\$ 996,837	\$ 100,281	\$ 1,097,118
Uninsured and uncollateralized	<u>2,703,281</u>	<u>622,432</u>	<u>3,325,713</u>
Total Deposits	<u>\$ 3,700,118</u>	<u>\$ 722,713</u>	<u>\$ 4,422,831</u>
	<u>Bank Balances</u>		
Insured (FDIC)	\$ 979,435	\$ 100,281	\$ 1,079,716
Uninsured and uncollateralized	<u>2,892,196</u>	<u>622,332</u>	<u>3,514,528</u>
Total Deposits	<u>\$ 3,871,631</u>	<u>\$ 722,613</u>	<u>\$ 4,594,244</u>

Deposits - At year-end, the carrying amount of the County's deposits was \$4,422,831 and the bank balance was \$4,594,244. According to Section 330.8 of the Federal Deposit Insurance Corporation Rules and Regulations, approximately 24% of the total bank balance was covered by federal depository insurance.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Michigan law and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counter party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Michigan law and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Interest Rate Risk

The County has not adopted a policy that indicates how the County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

Concentration of Credit Risk

The County has not adopted a policy that indicates how the County will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Investments - Act 217, PA 1982, authorizes the County to deposit and invest in the following:

- (a) bonds and other direct obligations of the United States or its agencies
- (b) certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under section 5 or 6 of Act 105, PA 1855, as amended (MCL 21.145 and 21.146)
- (c) Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- (d) United States government or Federal agency obligation repurchase agreements
- (e) bankers' acceptance of United States banks
- (f) mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

The County's investments are categorized below to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the County's name.

	Category			Amount	Market Value
	1	2	3		
Risk - Categorized	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Categorized Investments	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	-0-
Non Risk - Categorized					
MBIA govt trust				55,493	55,493
American freedom funds				104,872	104,872
AIM govt cash management fund				<u>202,950</u>	<u>202,950</u>
Total Investments				<u>\$ 363,315</u>	<u>\$ 363,315</u>

The non-categorized investments are the County's share of investment pools which were made up of U.S. Treasury, Agencies, and instrumentalities, commercial paper, banker's acceptances, and repurchase agreements which were not in the name of the County.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable consisted of amounts due from various sources of Ambulance receivables of \$310,169 and Emergency Services of \$3,981 totaling \$314,150.

The Ambulance receivables are offset by deferred revenue due to a question of their collectability.

NOTE E - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consists of amounts due from the Federal Government of \$27,518, the State of Michigan of \$201,651, and from Townships of \$44,152, totaling \$273,321.

NOTE F - LONG-TERM MORTGAGE RECEIVABLE

Special Revenue Housing Fund mortgage receivable offset by deferred revenue amounts to \$415,113. Oscoda County received various Community Development Block Grants in prior years with the intent to upgrade certain qualified aging homes. Certain homes are secured with mortgages and grants with liens to qualified applicants. The mortgage interest rates varying from 0% to 3% and the grant with liens are payable upon transfers of title.

NOTE G - EDC REVOLVING LOAN RECEIVABLE

Oscoda County received a grant of \$150,000 during 2005 from the United States Department of Agriculture to establish an EDC Revolving Loan Program. As of December 31, 2005. There was an outstanding balance of \$145,832 due for the County. This is offset by deferred revenue and is recognized as revenue when payments are received.

NOTE H - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 was as follows:

<u>Primary Government</u>	<u>Beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 95,300	\$ -0-	\$ -0-	\$ 95,300
Total capital assets, not being depreciated	95,300	-0-	-0-	95,300
Capital assets, being depreciated:				
Building and improvements	2,489,029	45,814	-0-	2,534,843
Machinery and equipment	462,938	150,754	-0-	613,692
Vehicles	867,937	17,045	33,000	851,982
Total capital assets, being depreciated	3,819,904	213,613	33,000	4,000,517
Less accumulated depreciation for:				
Buildings and improvements	1,137,183	86,109	-0-	1,223,292
Machinery and equipment	273,780	73,401	-0-	347,181
Vehicles	631,557	86,224	33,000	684,781
Total accumulated depreciation	2,042,520	245,734	33,000	2,255,254
Net capital assets, being depreciated	1,777,384	(32,121)	-0-	1,745,263
Net governmental activities capital assets	\$ 1,872,684	\$ (32,121)	\$ -0-	\$ 1,840,563

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE H - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Legislative	\$ 5,059
Judicial	2,475
General government	56,216
Public safety	144,647
Recreation and cultural	37,337
Total depreciation expense - governmental activities	<u>\$ 245,734</u>

NOTE I - PENSION PLANS

PRIMARY GOVERNMENT

Plan Description - Oscoda County participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity qualified under section 401(a) of the Internal Revenue Code, which has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, that includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2005. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit and (d) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2005 actuarial valuation to determine the annual employer contribution amounts. The entry age normal actuarial method was used to determine the entries at disclosure.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE I - PENSION PLANS (CONTINUED)

GASB 25 INFORMATION (as of 12/31/05)

Actuarial Accrued Liability:

Retirees and beneficiaries currently receiving benefits	\$ 2,697,426
Terminated employees not yet receiving benefits	814,744
Non-vested terminated employees	6,218
Current Employees:	
Accumulated employee contributions including allocated investment income	324,882
Employer financed	<u>2,998,241</u>
Total actuarial accrued liability	6,841,511
Net assets available for benefits, at actuarial value (Market value is \$5,018,545)	<u>5,154,367</u>
Unfunded (over funded) actuarial accrued liability	<u><u>\$ 1,687,144</u></u>

GASB 27 INFORMATION (as of 12/31/05)

Fiscal year beginning	January 1, 2007
Annual required contribution (ARC)	\$ 210,864
Amortization factor used	0.053632

Contributions Required and Contributions Made - MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2005 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

<u>Year Ended December 31</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2003	\$ 203,904	100%	-0-
2004	\$ 208,747	100%	-0-
2005	\$ 210,880	100%	-0-

The County was required to contribute \$210,880 for the year ended December 31, 2005. Payments were based on contribution calculations made by MERS.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE I - PENSION PLAN (CONTINUED)

Aggregate Accrued Liabilities - Comparative Schedule

Actuarial Valuation Date <u>December 31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % Of Covered Payroll
2003	\$ 4,526,164	\$ 6,268,981	\$ 1,742,817	72%	\$1,307,243	133%
2004	4,853,054	6,565,467	1,712,413	74%	1,407,697	122%
2005	5,154,367	6,841,511	1,687,144	75%	1,434,537	118%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, and 2000 valuations. The funding method was changed to entry age normal for the 1993 valuation.

County Road - Component Unit

The Oscoda County Road Commission provides pension benefits for all of its full time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Road Commission Plan requires the employer to contribute a specific amount per employee, per month. The contribution for each hourly employee (all are covered by a collective bargaining agreement) was \$25.00 per month for the period of January 1, 2005 - December 31, 2005. The contribution for each salaried employee is \$400.00 per month. The plan does not allow the employees to make contributions. The Road Commission's contributions for each employee (and interest allocated to the employee's account) are fully vested upon the employee's entrance into the plan. The plan assets are shown at market value.

The Road Commission, on April 1, 2000, began covering the hourly employees through a defined benefit plan administered by the Steelworkers Pension Trust. The contribution rate for each employee is \$160 per month until October, 2001, when the rate became \$170 per month.

The Oscoda County Road Commission's total payroll for the year ended December 31, 2005 was \$880,860. The Road Commission's contributions were computed on the base earnings amount of \$852,727. The Road Commission deposited the required amount of \$31,600 to the defined contribution plan and \$40,800 and to the Steelworkers Pension Trust.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE J - LONG-TERM DEBT

Following is a summary of pertinent information concerning the County's long-term debt:

LEGAL DEBT MARGIN

Article 7, Section 11 of the Constitution of Michigan of 1963 states that, "No County shall incur any indebtedness which shall increase its total debt beyond 10 percent of its assessed valuation." In addition, Section 46.11b(2) of Compiled Laws of 1979 as amended concerning the purchases of land, property or equipment for a period of 10 years or less states in part: The aggregate outstanding balance shall not exceed $\frac{1}{2}$ of 1% of the equalized assessed value balance. Following is an analysis of the County Legal Debt Margin as of December 31, 2005. The County is in compliance with the aforementioned State of Michigan Statutes.

	<u>2005 State Equalized Value</u>	<u>Debt Limit 10%</u>	<u>Outstanding Debt</u>	<u>Legal Debt Margin</u>
Computation	<u>\$ 474,832,462</u>	<u>\$ 47,483,246</u>	<u>\$ 191,242</u>	<u>\$ 47,292,004</u>

Outstanding Debt Descriptions:

	<u>Primary Government</u>	<u>Road Commission</u>	<u>Total</u>
General Obligation:			
Compensated absences	<u>\$ 62,370</u>	<u>\$ 128,872</u>	<u>\$ 191,242</u>
Totals	<u>\$ 62,370</u>	<u>\$ 128,872</u>	<u>\$ 191,242</u>

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE J - LONG TERM DEBT (CONTINUED)

CHANGES IN LONG-TERM DEBT

	<u>Balance 1/1/05</u>	<u>Additions</u>	<u>Balance Reductions</u>	<u>12/31/05</u>
<u>PRIMARY GOVERNMENT</u>				
Compensated absence	\$ 75,675	\$ -0-	(1)\$ 13,305	\$ 62,370
Total Primary Government	<u>75,675</u>	<u>-0-</u>	<u>13,305</u>	<u>62,370</u>
<u>COMPONENT UNITS</u>				
<u>Road Commission Component Unit</u>				
Compensated absences	\$ 127,609	(1)\$ 1,263	\$ -0-	\$ 128,872
Total Road Commission Long-term debt	<u>127,609</u>	<u>1,263</u>	<u>-0-</u>	<u>128,872</u>
Total Component Unit Long-term debt	<u>127,609</u>	<u>1,263</u>	<u>-0-</u>	<u>128,872</u>
Total Reporting Entity Long-term debt account group	<u>\$ 203,284</u>	<u>\$ 1,263</u>	<u>\$ 13,305</u>	<u>\$ 191,242</u>

(1) Changes in compensated absences are shown as a net addition/reduction.

Contingent Liability - During 2002, the Montmorency - Oscoda - Alpena Solid Waste Management Authority issued \$775,000 of General Obligation Limited Tax Bonds. According to the issuance, Oscoda County has responsibility for the repayment of 1/3 of the balance in the occurrence of a default. The outstanding debt is included in the Authority's annual financial report. No other provisions are recorded in the Oscoda County financial statements.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE K - INTERFUND RECEIVABLES AND PAYABLES

Following is an analysis of the interfund receivables and payables:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Fund Type/Fund</u>	<u>Interfund Payable</u>
Governmental:		Governmental:	
General Fund	<u>\$ 19,858</u>	Special Revenue:	
		Park Fund	\$ 320
		County Library	3,056
		HUD Fund	8,137
		Ambulance	
		Equipment	2,095
		Basic Grant	6,250
Total	<u>\$ 19,858</u>	Total	<u>\$ 19,858</u>
Special Revenue			
Officer Training	<u>\$ 1,151</u>	General Fund	<u>\$ 1,151</u>
		Special Revenue:	
Ambulance Equipment	<u>\$ 6,916</u>	Ambulance	<u>\$ 6,916</u>
Ambulance Fund	<u>\$ 1,890</u>	General Fund	<u>\$ 1,890</u>
		Special Revenue:	
Basic Grant	<u>\$ 5,000</u>	Child Care	<u>\$ 5,000</u>

NOTE L - RESTRICTED NET ASSETS

Net Asset reserves can be described as follows:

<u>Reserved For</u>	<u>Amount</u>	<u>Description</u>
Primary Government:		
Family counseling	<u>\$ 19,894</u>	Portion of marriage license fee to be used for family counseling.
District court - caseflow Assistance	<u>\$ 12,853</u>	Revenues dedicated to the increase efficiency in processing traffic violations and prevention of drunk driving.
Forest service (Title III)	<u>\$ 19,132</u>	Grant revenues dedicated for search, rescue, emergency services, wildfire prevention and education.
Component Unit:		
County Road Commission	<u>\$ 1,616,822</u>	Amount of County Road Commission Primary and local road funds.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE M - POST EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note I, the Road Commission provides post-retirement health care benefits for retirees who are at least 55 years of age and have 10 years of service. The Road Commission pays the premium expense covering the retiree, spouse and any dependent children up to the age of 25. Coverage is also provided for spouses of deceased retirees. These benefits were established by Board resolution and are funded on a pay-as-you-go basis. The cost for this benefit during the year ended December 31, 2005 was \$193,729 which covered 25 retirees and surviving spouses of deceased retirees.

NOTE N - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As a result of the higher cost of obtaining commercial insurance, the County joined the Michigan Municipal Liability and Property Pool. The Pool was established in 1982 under Public Act 138 of 1982, as amended by Public Act 36 of 1988, to develop and administer a group program of liability and property self insurance for Michigan municipalities. The objectives of the Pool are to establish and administer a municipal risk management service, to lessen the incidence of property and casualty losses occurring in the operation of local governmental functions, and to defend members of the Pool against stated liability or loss. Any city or village which is a member of the Michigan Municipal League or any instrumentality of any city or village or, any governmental city which holds Service Associate States with the League is eligible to participate in the Pool. There are approximately 740 members in the Pool. The Pool is self-sustaining through member premiums and reinsures through NLC Mutual Insurance Company. Settled claims from these risks have not exceeded insurance coverages for the past three years.

The County is also a member of the Michigan Municipal Workers Compensation Fund. This program was formed in 1977 under the sponsorship of the Michigan Municipal League and is subject to the direct supervision and regulation of the Bureau of Workers Disability Compensation and the Michigan Department of Labor. The County has a workers compensation liability coverage of \$500,000.

SUPPLEMENTAL FINANCIAL INFORMATION

OSCODA COUNTY
GENERAL FUND
DETAIL ANALYSIS OF REVENUES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

TAXES:

Current property taxes	\$ 2,136,377	
State in lieu of taxes	56,170	
Federal in lieu of taxes	67,840	
Township in lieu of taxes	<u>1,432</u>	\$ 2,261,819

LICENSES AND PERMITS:

Licenses	275	
Dog licenses	5,730	
CCW permits	2,106	
Soil erosion permits	<u>5,344</u>	13,455

FEDERAL:

Forest service - Title III	23,678	
Civil defense	123,857	
USDA rural development grant	<u>150,000</u>	297,535

STATE:

Probate judges salary	21,839	
Judges standardization	5,750	
Secondary road patrol	36,283	
Prosecuting attorney		
cooperative reimbursement	14,902	
P.A. Restitution	7,914	
Juvenile officer	27,317	
Victim's right act	15,000	
Convention facility tax	45,102	
Liquor license	10,559	
Cigarette tax	5,887	
State-aid caseload assistance	9,371	
State court grant	868	
Re monumentation grant	45,726	
State court equity funding	53,885	
Snowmobile grant	13,117	
Marine safety	6,913	
DHS mentoring grants	<u>3,267</u>	323,700

OSCODA COUNTY
GENERAL FUND
DETAIL ANALYSIS OF REVENUES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2005

CHARGES FOR SERVICES:

Circuit court costs and fees	\$ 6,363	
Probate court costs and fees	9,413	
District court costs and fees	226,366	
Family court costs and fees	4,768	
Clerk fees	15,194	
Register of deeds fees	118,846	
Register of deeds transfer tax	47,713	
Monumentation/recording fees	262	
Treasurer fees	3,780	
Sheriff fees	18,269	
Equalization	60,675	
Family counseling	435	
Duplicating / fax	375	
Transport of prisoners	650	
Motor pool	754	
Dog pick-up	2,199	
Landfill	<u>6,763</u>	\$ 522,825

FINES AND FORFEITURES:

District court bonds	7,335	
Building department bonds	<u>5,425</u>	12,760

INTEREST EARNED:

32,790

RENTS:

12,840

REIMBURSEMENTS AND REFUNDS:

EDC revolving loan payments	7,125	
Other	<u>12,516</u>	<u>19,641</u>

Total Revenue 3,497,365

OTHER FINANCING SOURCES:

Operating transfers in:		
Basic grant fund	16,250	
Tax revolving fund	317,268	
Revenue reserve fund	<u>159,342</u>	<u>492,860</u>

TOTAL REVENUE AND OTHER FINANCING SOURCES \$ 3,990,225

OSCODA COUNTY
GENERAL FUND
EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Legislative:				
Board of commissioners	\$ 96,015	\$ 96,015	\$ 100,056	\$ (4,041)
Executive secretary	<u>39,222</u>	<u>39,222</u>	<u>33,546</u>	<u>5,676</u>
Total Legislative	<u>135,237</u>	<u>135,237</u>	<u>133,602</u>	<u>1,635</u>
Judicial:				
Circuit court	89,145	89,145	79,051	10,094
Family court	124,940	124,940	118,072	6,868
District court	143,787	143,787	128,356	15,431
Probate court	87,337	87,337	89,415	(2,078)
Jury commission	<u>4,015</u>	<u>4,015</u>	<u>4,143</u>	<u>(128)</u>
Total Judicial	<u>449,224</u>	<u>449,224</u>	<u>419,037</u>	<u>30,187</u>
General Government:				
Governmental administration	157,528	160,782	121,234	39,548
Cooperative extension	50,125	50,125	56,511	(6,386)
County clerk	100,825	100,825	103,134	(2,309)
Courthouse and grounds	182,531	182,531	190,646	(8,115)
Elections	16,200	16,200	1,163	15,037
Equalization	127,766	129,166	131,478	(2,312)
Motor pool	56,570	56,570	57,300	(730)
Prosecuting attorney	154,004	154,552	159,267	(4,715)
Register of deeds	109,711	109,711	107,223	2,488
Treasurer	<u>86,116</u>	<u>86,116</u>	<u>90,010</u>	<u>(3,894)</u>
Total General Government	<u>1,041,376</u>	<u>1,046,578</u>	<u>1,017,966</u>	<u>28,612</u>
Public Safety:				
Civil defense	135,929	135,929	135,114	815
Soil erosion	1,196	1,196	175	1,021
Dog warden	28,212	28,212	25,285	2,927
Jail	200,000	200,000	300,567	(100,567)
Marine safety	30,679	30,679	19,596	11,083
Planning commission	2,800	2,800	2,400	400
Snowmobile grant	22,802	22,802	14,702	8,100
Sheriff	703,003	703,003	683,230	19,773
Traffic safety	<u>50,370</u>	<u>50,370</u>	<u>51,025</u>	<u>(655)</u>
Total Public Safety	<u>1,174,991</u>	<u>1,174,991</u>	<u>1,232,094</u>	<u>(57,103)</u>

OSCODA COUNTY
 GENERAL FUND
 EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Health and welfare:				
Economic development	\$ 11,627	\$ 11,627	\$ 162,459	\$ (150,832)
Substance abuse	22,500	22,500	22,551	(51)
District health department	55,553	55,553	62,170	(6,617)
Medical examiner	9,500	9,500	7,124	2,376
Mental health	23,800	23,800	23,800	-0-
Youth services	-0-	-0-	43	(43)
Total Health and Welfare	<u>122,980</u>	<u>122,980</u>	<u>278,147</u>	<u>(155,167)</u>
Other:				
Insurance, bonds, and fringes	312,425	312,425	289,865	22,560
Contingencies	<u>168,178</u>	<u>162,976</u>	<u>-0-</u>	<u>162,976</u>
Total Other	<u>480,603</u>	<u>475,401</u>	<u>289,865</u>	<u>185,536</u>
Total Expenditures	<u>3,404,411</u>	<u>3,404,411</u>	<u>3,370,711</u>	<u>33,700</u>
Other Financing Uses:				
Operating transfers out:				
Child care	144,500	144,500	214,721	(70,221)
Law library	2,972	2,972	3,972	(1,000)
Soldiers and sailors	7,500	7,500	7,500	-0-
Department of human services	8,441	8,441	7,441	1,000
Sheriff drug fund	10,360	10,360	10,360	-0-
Park fund	3,000	3,000	6,000	(3,000)
Public guardianship	685	685	685	-0-
Hazardous materials	3,175	3,175	3,175	-0-
Historical commission	1,500	1,500	1,500	-0-
Friend of the court	10,763	10,763	10,763	-0-
Public improvement	-0-	-0-	25,500	(25,500)
Register of deeds automation	30,000	30,000	21,980	8,020
100% Tax payment fund	<u>-0-</u>	<u>-0-</u>	<u>71,489</u>	<u>(71,489)</u>
Total Other Financing Uses	<u>222,896</u>	<u>222,896</u>	<u>385,086</u>	<u>(162,190)</u>
Total Expenditures and Other Financing Uses	<u>\$ 3,627,307</u>	<u>\$ 3,627,307</u>	<u>\$ 3,755,797</u>	<u>\$ (128,490)</u>

OSCODA COUNTY
 GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

LEGISLATIVE

BOARD OF COMMISSIONERS:

Salaries and per diem	\$ 38,951		
Fringes	49,077		
Supplies	49		
Travel	9,403		
Printing and publishing	2,576	\$	100,056

EXECUTIVE SECRETARY:

Salaries	20,569		
Fringes	5,435		
Supplies	6,768		
Travel	774		33,546

JUDICIAL

CIRCUIT COURT:

Supplies	2,127		
Jury duty	1,535		
Attorney fees	13,752		
Contractual services	326		
Telephone	593		
Travel	1,398		
Payments to other counties	59,320		79,051

FAMILY COURT:

Salaries	78,261		
Fringes	31,258		
Supplies	1,882		
Attorney fees	4,983		
Contractual services	907		
Telephone	230		
Travel	351		
Membership, dues and fees	200		118,072

DISTRICT COURT:

Salaries	74,410		
Fringes	14,741		
Supplies	4,326		
Contractual services	5,089		
Attorney fees	24,174		
Transcripts	360		
Travel	1,875		
Membership, dues and fees	752		
Printing and publishing	551		
Repairs and maintenance	258		
Payments to other counties	1,820		128,356

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

JUDICIAL (CONTINUED)

PROBATE COURT:

Salaries	\$ 57,179	
Fringes	19,416	
Supplies	2,109	
Jury Fees	874	
Attorney fees	4,015	
Travel	513	
Membership, dues and fees	610	
Contractual services	3,692	
Repair and maintenance	<u>1,007</u>	\$ 89,415

JURY COMMISSION:

Per diem	2,070	
Fringes	87	
Supplies	1,801	
Travel	<u>185</u>	4,143

GENERAL GOVERNMENT

GOVERNMENTAL ADMINISTRATION:

Health insurance	2,838	
Retirement	1,708	
MAC dues	6,102	
NACO dues	750	
NEMCOG	2,066	
Sheriff CCW fees	320	
Audit	12,700	
Legal consultant	261	
Contractual services	76,233	
Fairboard	4,054	
Civil projects	6,454	
Title III forest service	3,450	
Tax tribunal refunds	<u>4,298</u>	121,234

COOPERATIVE EXTENSION:

Salaries	20,821	
Fringes	6,242	
Supplies	733	
Contractual services	23,650	
Travel	3,043	
Title III forest service	1,986	
Repair and maintenance	<u>36</u>	56,511

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

GENERAL GOVERNMENT (CONTINUED)

COUNTY CLERK:

Salaries	\$ 71,084	
Fringes	24,472	
Supplies	5,990	
Travel	426	
Membership, dues and fees	260	
Printing and publishing	237	
Contractual services	630	
Equipment maintenance and repair	<u>35</u>	\$ 103,134

COURTHOUSE AND GROUNDS:

Salaries	71,098	
Fringes	31,387	
Supplies	5,143	
Uniforms	1,859	
Gasoline	2,456	
Electric	18,573	
Fuel oil/L.P./natural gas	24,424	
Sewer/water	5,831	
Telephone	17,527	
Maintenance and repair	6,930	
Contractual services	3,907	
Equipment rental	<u>1,511</u>	190,646

ELECTIONS:

Printing and publishing	<u>1,163</u>	1,163
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EQUALIZATION:

Salaries	73,832	
Fringes	34,221	
Supplies	2,170	
Dues	465	
Printing and publishing	17,525	
Contractual services	1,465	
Travel	1,249	
Training	<u>551</u>	131,478

MOTOR POOL:

Salaries	31,716	
Fringes	12,968	
Supplies	1,194	
Vehicle repair parts	<u>11,422</u>	57,300

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

GENERAL GOVERNMENT (CONTINUED)

PROSECUTING ATTORNEY:

Salaries	\$ 112,057	
Fringes	41,249	
Supplies	1,929	
Witness fees	1,374	
Contractual services	45	
Travel	423	
Dues	1,245	
Equipment repair and maintenance	<u>945</u>	\$ 159,267

REGISTER OF DEEDS:

Salaries	42,308	
Fringes	14,080	
Supplies	3,308	
Contractual services	1,170	
Remonumentation	45,726	
Travel	133	
Equipment repair and maintenance	<u>498</u>	107,223

TREASURER:

Salaries	65,706	
Fringes	21,119	
Supplies	1,729	
Dues	250	
Travel	<u>1,206</u>	90,010

PUBLIC SAFETY

CIVIL DEFENSE:

Contractual services	25,585	
Travel	100	
Capital outlay	<u>109,429</u>	135,114

SOIL EROSION:

175

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

PUBLIC SAFETY (CONTINUED)

DOG WARDEN:

Contractual services	\$ 16,959	
Gas and oil	1,133	
Dog disposal/damage	6,024	
Dog tags	235	
Training	365	
Utilities	<u>569</u>	\$ 25,285

JAIL:

Travel	601	
Meals	2,150	
Lodging - other jails	257,553	
Supplies	663	
Medical	37,144	
Laundry	<u>2,456</u>	300,567

MARINE SAFETY:

Salaries	13,330	
Fringes	5,381	
Uniform allowance	81	
Travel	<u>804</u>	19,596

PLANNING COMMISSION:

Per diem	1,650	
Fringes	126	
Travel	432	
Office supplies	<u>192</u>	2,400

SNOWMOBILE GRANT:

Salaries	11,593	
Fringes	858	
Supplies	736	
Gas and oil	<u>1,515</u>	14,702

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

PUBLIC SAFETY (CONTINUED)

SHERIFF:

Salaries	\$ 461,178	
Fringes	161,657	
Supplies	6,093	
Employee training	2,834	
Gas and oil	22,743	
Uniforms & laundry	9,870	
Utilities	6,184	
Firearms and supplies	2,476	
Dues	760	
Physicals	787	
Liens	3,380	
Travel	43	
Repairs and maintenance	3,227	
Printing and publishing	<u>1,998</u>	\$ 683,230

TRAFFIC SAFETY:

Salaries	34,254	
Fringes	13,649	
Uniforms	44	
Gas and oil	<u>3,078</u>	51,025

HEALTH AND WELFARE

ECONOMIC DEVELOPMENT:

Wages	6,121	
Fringes	2,482	
Per Diem	2,286	
Supplies	183	
Travel	511	
Contracted services	751	
Training	125	
USDA grant revolving loans	<u>150,000</u>	162,459

SUBSTANCE ABUSE:

22,551

DISTRICT HEALTH DEPARTMENT:

62,170

MEDICAL EXAMINER/AUTOPSY:

7,124

MENTAL HEALTH:

23,800

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

HEALTH AND WELFARE (CONTINUED)

YOUTH SERVICES:

Supplies	\$ 43	\$ 43
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OTHER

INSURANCE, BONDS, AND FRINGES:

Bonds	1,840	
Fringes	243,055	
Insurance	<u>44,970</u>	<u>289,865</u>

Total Expenditures		<u>3,370,711</u>
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OTHER FINANCING USES:

Operating transfers out:	
Department of human services	7,441
Child care	214,721
Law library	3,972
Soldiers and sailors	7,500
Public improvement	25,500
Sheriff drug fund	10,360
Park fund	6,000
Public guardianship	685
Hazardous materials	3,175
Historical commission	1,500
Friend of the court	10,763
Register of deeds automation fund	21,980
100% Tax payment fund	<u>71,489</u>

Total Other Financing Uses	<u>385,086</u>
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Total Expenditures and Other Financing Uses	<u><u>\$ 3,755,797</u></u>
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OSCODA COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2005

	Sheriff Equipment	Ambulance Equipment	911 Emergency Services	Officer Training	Park	D.A.R.E.
ASSETS						
Cash demand and time deposits	\$ 209,040	\$ 152,831	\$ 18,548	\$ 3,113	\$ 36,872	\$ 4,707
Taxes receivable	73,828	156,848	-0-	-0-	-0-	-0-
Accounts receivable	-0-	-0-	3,981	-0-	-0-	-0-
Interest receivable	717	525	-0-	-0-	127	-0-
Due from other funds	-0-	6,916	-0-	1,151	-0-	-0-
Due from governmental units	-0-	-0-	22,375	-0-	-0-	-0-
Prepaid expenses	-0-	-0-	1,349	-0-	1,089	-0-
Total Assets	<u>\$ 283,585</u>	<u>\$ 317,120</u>	<u>\$ 46,253</u>	<u>\$ 4,264</u>	<u>\$ 38,088</u>	<u>\$ 4,707</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ -0-	\$ -0-	\$ 1,273	\$ -0-	\$ 1,118	\$ -0-
Accrued liabilities	-0-	-0-	2,059	-0-	690	-0-
Due to other funds	-0-	2,095	-0-	-0-	320	-0-
Due to other governmental units	-0-	-0-	-0-	-0-	-0-	-0-
Deferred revenue	73,828	156,848	-0-	-0-	-0-	-0-
Total Liabilities	<u>73,828</u>	<u>158,943</u>	<u>3,332</u>	<u>-0-</u>	<u>2,128</u>	<u>-0-</u>
Fund Equity:						
Reserved for forest service	-0-	-0-	-0-	-0-	-0-	-0-
Undesignated	209,757	158,177	42,921	4,264	35,960	4,707
Total Fund Equity	<u>209,757</u>	<u>158,177</u>	<u>42,921</u>	<u>4,264</u>	<u>35,960</u>	<u>4,707</u>
Total Liabilities and Fund Equity	<u>\$ 283,585</u>	<u>\$ 317,120</u>	<u>\$ 46,253</u>	<u>\$ 4,264</u>	<u>\$ 38,088</u>	<u>\$ 4,707</u>

SPECIAL REVENUE FUNDS

<u>Friend of the Court</u>	<u>Public Guardianship</u>	<u>Park Improvements</u>	<u>Hazardous Materials</u>	<u>Historical Commission</u>	<u>Gypsy Moth</u>	<u>Public Improvement</u>	<u>Drug Law Enforcement</u>
\$ 56,539	\$ 3,603	\$ 4,181	\$ 5	\$ 168	\$ 81,514	\$ 6,267	\$ 12,830
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
23,706	-0-	-0-	-0-	-0-	-0-	5,835	-0-
2,178	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>\$ 82,423</u>	<u>\$ 3,603</u>	<u>\$ 4,181</u>	<u>\$ 5</u>	<u>\$ 168</u>	<u>\$ 81,514</u>	<u>\$ 12,102</u>	<u>\$ 12,830</u>
\$ 5,285	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
940	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>6,225</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	2,870	-0-	-0-	-0-	-0-	-0-
<u>76,198</u>	<u>3,603</u>	<u>1,311</u>	<u>5</u>	<u>168</u>	<u>81,514</u>	<u>12,102</u>	<u>12,830</u>
<u>76,198</u>	<u>3,603</u>	<u>4,181</u>	<u>5</u>	<u>168</u>	<u>81,514</u>	<u>12,102</u>	<u>12,830</u>
<u>\$ 82,423</u>	<u>\$ 3,603</u>	<u>\$ 4,181</u>	<u>\$ 5</u>	<u>\$ 168</u>	<u>\$ 81,514</u>	<u>\$ 12,102</u>	<u>\$ 12,830</u>

OSCODA COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2005

	County Law Library	Building Codes	County Library	Council on Aging	Strong Families Safe Children	Dept of Human Services
ASSETS						
Cash demand and time deposits	\$ 657	\$ 35,548	\$ 75,315	\$ 38,491	\$ 7,357	\$ 35,167
Taxes receivable	-0-	-0-	-0-	143,711	-0-	-0-
Accounts receivable	-0-	-0-	-0-	-0-	-0-	-0-
Interest receivable	-0-	-0-	258	-0-	-0-	-0-
Due from other funds	-0-	-0-	-0-	-0-	-0-	-0-
Due from governmental units	-0-	-0-	-0-	-0-	-0-	9,079
Prepaid expenses	-0-	1,089	1,089	-0-	-0-	-0-
Total Assets	<u>\$ 657</u>	<u>\$ 36,637</u>	<u>\$ 76,662</u>	<u>\$ 182,202</u>	<u>\$ 7,357</u>	<u>\$ 44,246</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ -0-	\$ 276	\$ 233	\$ -0-	\$ -0-	\$ 8,639
Accrued liabilities	-0-	954	730	-0-	-0-	-0-
Due to other funds	-0-	-0-	3,056	-0-	-0-	-0-
Due to other governmental units	-0-	-0-	-0-	-0-	-0-	28,000
Deferred revenue	-0-	-0-	-0-	143,711	-0-	-0-
Total Liabilities	<u>-0-</u>	<u>1,230</u>	<u>4,019</u>	<u>143,711</u>	<u>-0-</u>	<u>36,639</u>
Fund Equity:						
Reserved for forest service	-0-	-0-	-0-	-0-	-0-	-0-
Undesignated	657	35,407	72,643	38,491	7,357	7,607
Total Fund Equity	<u>657</u>	<u>35,407</u>	<u>72,643</u>	<u>38,491</u>	<u>7,357</u>	<u>7,607</u>
Total Liabilities and Fund Equity	<u>\$ 657</u>	<u>\$ 36,637</u>	<u>\$ 76,662</u>	<u>\$ 182,202</u>	<u>\$ 7,357</u>	<u>\$ 44,246</u>

SPECIAL REVENUE FUNDS							
Child Care	Soldiers and Sailors	Veterans Trust	Basic Grant	Youth Services	Register of Deeds Automation	Airport	Totals
\$ 40,721	\$ 8,507	\$ 773	\$ -0-	\$ 483	\$ 26,716	\$ 25,627	\$ 885,580
-0-	-0-	-0-	-0-	-0-	-0-	-0-	374,387
-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,981
-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,627
-0-	-0-	-0-	5,000	-0-	-0-	-0-	13,067
27,209	-0-	-0-	1,250	-0-	-0-	-0-	89,454
-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,794
<u>\$ 67,930</u>	<u>\$ 8,507</u>	<u>\$ 773</u>	<u>\$ 6,250</u>	<u>\$ 483</u>	<u>\$ 26,716</u>	<u>\$ 25,627</u>	<u>\$ 1,374,890</u>
\$ 18,729	\$ 600	\$ -0-	\$ -0-	\$ -0-	\$ 3,801	\$ 10,327	\$ 50,281
-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,373
5,000	-0-	-0-	6,250	-0-	-0-	-0-	16,721
-0-	-0-	-0-	-0-	-0-	-0-	-0-	28,000
-0-	-0-	-0-	-0-	-0-	-0-	-0-	374,387
<u>23,729</u>	<u>600</u>	<u>-0-</u>	<u>6,250</u>	<u>-0-</u>	<u>3,801</u>	<u>10,327</u>	<u>474,762</u>
-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,870
<u>44,201</u>	<u>7,907</u>	<u>773</u>	<u>-0-</u>	<u>483</u>	<u>22,915</u>	<u>15,300</u>	<u>897,258</u>
<u>44,201</u>	<u>7,907</u>	<u>773</u>	<u>-0-</u>	<u>483</u>	<u>22,915</u>	<u>15,300</u>	<u>900,128</u>
<u>\$ 67,930</u>	<u>\$ 8,507</u>	<u>\$ 773</u>	<u>\$ 6,250</u>	<u>\$ 483</u>	<u>\$ 26,716</u>	<u>\$ 25,627</u>	<u>\$ 1,374,890</u>

OSCODA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2005

	Sheriff Equipment	Ambulance Equipment	911 Emergency Services	Officer Training	Park
Revenue:					
Taxes	\$ 75,415	\$ 150,752	\$ -0-	\$ -0-	\$ -0-
Licenses and permits	15,863	-0-	-0-	-0-	-0-
Federal	-0-	-0-	-0-	-0-	-0-
State	-0-	-0-	85,594	2,248	-0-
Charges for services	3,790	-0-	-0-	-0-	106,149
Fines and forfeits	-0-	-0-	-0-	-0-	-0-
Interest earned	5,757	4,027	-0-	-0-	1,208
Other	-0-	-0-	50,202	-0-	-0-
Total Revenue	<u>100,825</u>	<u>154,779</u>	<u>135,796</u>	<u>2,248</u>	<u>107,357</u>
Expenditures:					
Judicial	-0-	-0-	-0-	-0-	-0-
General government	-0-	-0-	-0-	-0-	-0-
Public safety	59,506	1,491	113,333	1,581	-0-
Health and welfare	-0-	-0-	-0-	-0-	-0-
Recreation and cultural	-0-	-0-	-0-	-0-	109,597
Total Expenditures	<u>59,506</u>	<u>1,491</u>	<u>113,333</u>	<u>1,581</u>	<u>109,597</u>
Excess:					
Revenue over (under) expenditures	<u>41,319</u>	<u>153,288</u>	<u>22,463</u>	<u>667</u>	<u>(2,240)</u>
Other financing sources (uses):					
Operating transfers in	-0-	-0-	-0-	-0-	-0-
Operating transfers out	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess:					
Revenue and other financing sources over (under) expenditures and other financing uses	<u>41,319</u>	<u>153,288</u>	<u>22,463</u>	<u>667</u>	<u>(2,240)</u>
Fund balance (deficit) - January 1	<u>168,438</u>	<u>4,889</u>	<u>20,458</u>	<u>3,597</u>	<u>38,200</u>
Fund balance (deficit) - December 31	<u>\$ 209,757</u>	<u>\$ 158,177</u>	<u>\$ 42,921</u>	<u>\$ 4,264</u>	<u>\$ 35,960</u>

SPECIAL REVENUE FUNDS						
D.A.R.E.	Friend of the Court	Public Guardianship	Park Improvement	Hazardous Materials	Historical Commission	Gypsy Moth
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	85,531	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	1,971
4,090	20,532	7,904	-0-	-0-	3,595	-0-
4,090	106,063	7,904	-0-	-0-	3,595	1,971
-0-	115,439	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
973	-0-	-0-	-0-	3,172	-0-	-0-
-0-	-0-	6,653	-0-	-0-	-0-	33
-0-	-0-	-0-	1,819	-0-	5,543	-0-
973	115,439	6,653	1,819	3,172	5,543	33
3,117	(9,376)	1,251	(1,819)	(3,172)	(1,948)	1,938
-0-	10,763	685	6,000	3,175	1,500	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	10,763	685	6,000	3,175	1,500	-0-
3,117	1,387	1,936	4,181	3	(448)	1,938
1,590	74,811	1,667	-0-	2	616	79,576
\$ 4,707	\$ 76,198	\$ 3,603	\$ 4,181	\$ 5	\$ 168	\$ 81,514

OSCODA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2005

	Public Improvement	Drug Law Enforcement	County Law Library	Building Codes	County Library
Revenue:					
Taxes	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Licenses and permits	-0-	-0-	-0-	129,277	-0-
Federal	-0-	-0-	-0-	-0-	-0-
State	-0-	-0-	-0-	-0-	8,190
Charges for services	-0-	-0-	-0-	-0-	-0-
Fines and forfeits	-0-	-0-	2,000	-0-	78,138
Interest earned	11,671	-0-	-0-	-0-	2,462
Other	-0-	-0-	-0-	-0-	5,537
Total Revenue	<u>11,671</u>	<u>-0-</u>	<u>2,000</u>	<u>129,277</u>	<u>94,327</u>
Expenditures:					
Judicial	-0-	-0-	5,876	-0-	-0-
General government	47,087	-0-	-0-	-0-	-0-
Public safety	-0-	10,360	-0-	134,695	-0-
Health and welfare	-0-	-0-	-0-	-0-	-0-
Recreation and cultural	-0-	-0-	-0-	-0-	91,752
Total Expenditures	<u>47,087</u>	<u>10,360</u>	<u>5,876</u>	<u>134,695</u>	<u>91,752</u>
Excess:					
Revenue over (under) expenditures	<u>(35,416)</u>	<u>(10,360)</u>	<u>(3,876)</u>	<u>(5,418)</u>	<u>2,575</u>
Other Financing Sources (Uses):					
Operating transfers in	25,500	10,360	3,972	-0-	-0-
Operating transfers out	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>25,500</u>	<u>10,360</u>	<u>3,972</u>	<u>-0-</u>	<u>-0-</u>
Excess:					
Revenue and other financing sources over (under) expenditures and other financing uses	<u>(9,916)</u>	<u>-0-</u>	<u>96</u>	<u>(5,418)</u>	<u>2,575</u>
Fund balance (deficit) - January 1	<u>22,018</u>	<u>12,830</u>	<u>561</u>	<u>40,825</u>	<u>70,068</u>
Fund balance (deficit) - December 31	<u>\$ 12,102</u>	<u>\$ 12,830</u>	<u>\$ 657</u>	<u>\$ 35,407</u>	<u>\$ 72,643</u>

SPECIAL REVENUE FUNDS						
Council on Aging	Strong Families Safe Children	Dept of Human Services	Child Care	Soldiers And Sailors	Veterans Trust	Basic Grant
\$ 138,078	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	2,306	172,140	125,394	-0-	1,708	13,750
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
2,228	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	9,391	-0-	-0-	-0-
<u>140,306</u>	<u>2,306</u>	<u>172,140</u>	<u>134,785</u>	<u>-0-</u>	<u>1,708</u>	<u>13,750</u>
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
180,000	1,372	222,372	242,231	9,266	1,609	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>180,000</u>	<u>1,372</u>	<u>222,372</u>	<u>242,231</u>	<u>9,266</u>	<u>1,609</u>	<u>-0-</u>
(39,694)	934	(50,232)	(107,446)	(9,266)	99	13,750
-0-	-0-	7,441	214,721	7,500	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	(16,250)
-0-	-0-	7,441	214,721	7,500	-0-	(16,250)
(39,694)	934	(42,791)	107,275	(1,766)	99	(2,500)
<u>78,185</u>	<u>6,423</u>	<u>50,398</u>	<u>(63,074)</u>	<u>9,673</u>	<u>674</u>	<u>2,500</u>
<u>\$ 38,491</u>	<u>\$ 7,357</u>	<u>\$ 7,607</u>	<u>\$ 44,201</u>	<u>\$ 7,907</u>	<u>\$ 773</u>	<u>\$ -0-</u>

OSCODA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2005

	SPECIAL REVENUE FUNDS			
	Youth Services	Register of Deeds Automation	Airport	Totals
Revenue:				
Taxes	\$ -0-	\$ -0-	\$ -0-	\$ 364,245
Licenses and permits	-0-	-0-	-0-	129,277
Federal	-0-	-0-	-0-	15,863
State	-0-	-0-	-0-	496,861
Charges for services	-0-	-0-	7,270	117,209
Fines and forfeits	-0-	-0-	-0-	80,138
Interest earned	-0-	604	-0-	29,928
Other	-0-	-0-	-0-	101,251
Total Revenue	-0-	604	7,270	1,334,772
Expenditures:				
Judicial	-0-	-0-	-0-	121,315
General government	-0-	23,234	17,524	87,845
Public safety	-0-	-0-	-0-	325,111
Health and welfare	-0-	-0-	-0-	663,536
Recreation and cultural	-0-	-0-	-0-	208,711
Total Expenditures	-0-	23,234	17,524	1,406,518
Excess:				
Revenue over (under) expenditures	-0-	(22,630)	(10,254)	(71,746)
Other Financing Sources (Uses):				
Operating transfers in	-0-	21,980	-0-	313,597
Operating transfers out	-0-	-0-	-0-	(16,250)
Total Other Financing Sources (Uses)	-0-	21,980	-0-	297,347
Excess:				
Revenue and other financing sources over (under) expenditures and other financing uses	-0-	(650)	(10,254)	225,601
Fund balance (deficit) - January 1	483	23,565	25,554	674,527
Fund balance (deficit) - December 31	<u>\$ 483</u>	<u>\$ 22,915</u>	<u>\$ 15,300</u>	<u>\$ 900,128</u>

OSCODA COUNTY
SHERIFF EQUIPMENT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 209,040	\$ 168,438
Interest receivable	717	-0-
Taxes receivable	<u>73,828</u>	<u>75,272</u>
Total Assets	<u>\$ 283,585</u>	<u>\$ 243,710</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Deferred revenue	<u>\$ 73,828</u>	<u>\$ 75,272</u>
Total Liabilities	<u>73,828</u>	<u>75,272</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>209,757</u>	<u>168,438</u>
Total Fund Equity	<u>209,757</u>	<u>168,438</u>
Total Liabilities and Fund Equity	<u>\$ 283,585</u>	<u>\$ 243,710</u>

OSCODA COUNTY
 SHERIFF EQUIPMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Taxes	\$ 75,722	\$ 75,722	\$ 75,415	\$ (307)
Federal	-0-	-0-	15,863	15,863
Interest	600	600	5,757	5,157
Fees	-0-	-0-	3,790	3,790
Total Revenue	<u>76,322</u>	<u>76,322</u>	<u>100,825</u>	<u>24,503</u>
Expenditures:				
Equipment supplies	2,000	2,000	24,521	(22,521)
Capital outlay	<u>74,322</u>	<u>74,322</u>	<u>34,985</u>	<u>39,337</u>
Total Expenditures	<u>76,322</u>	<u>76,322</u>	<u>59,506</u>	<u>16,816</u>
Excess:				
Revenue over (under) expenditures	-0-	-0-	41,319	41,319
Fund balance (deficit) - January 1	<u>168,438</u>	<u>168,438</u>	<u>168,438</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 168,438</u>	<u>\$ 168,438</u>	<u>\$ 209,757</u>	<u>\$ 41,319</u>

OSCODA COUNTY
 AMBULANCE EQUIPMENT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 152,831	\$ 68
Interest receivable	525	-0-
Due from other funds	6,916	6,916
Taxes receivable	<u>156,848</u>	<u>150,543</u>
Total Assets	<u>\$ 317,120</u>	<u>\$ 157,527</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Due to other funds	\$ 2,095	\$ 2,095
Deferred revenue	<u>156,848</u>	<u>150,543</u>
Total Liabilities	<u>158,943</u>	<u>152,638</u>
Fund Equity		
Fund Balance:		
Undesignated	<u>158,177</u>	<u>4,889</u>
Total Fund Equity	<u>158,177</u>	<u>4,889</u>
Total Liabilities and Fund Equity	<u>\$ 317,120</u>	<u>\$ 157,527</u>

OSCODA COUNTY
AMBULANCE EQUIPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Property taxes	\$ 150,080	\$ 150,080	\$ 150,752	\$ 672
Interest earned	7,000	7,000	4,027	(2,973)
Other	<u>2,000</u>	<u>2,000</u>	<u>-0-</u>	<u>(2,000)</u>
Total Revenue	<u>159,080</u>	<u>159,080</u>	<u>154,779</u>	<u>(4,301)</u>
Expenditures:				
Supplies	-0-	-0-	1,277	(1,277)
Miscellaneous	-0-	-0-	214	(214)
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>-0-</u>	<u>30,000</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>1,491</u>	<u>28,509</u>
Excess:				
Revenue over (under) expenditures	129,080	12,080	153,288	24,208
Fund balance (deficit) - January 1	<u>4,889</u>	<u>4,889</u>	<u>4,889</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 133,969</u>	<u>\$ 133,969</u>	<u>\$ 158,177</u>	<u>\$ 24,208</u>

OSCODA COUNTY
 EMERGENCY SERVICES FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash demand and time deposits	\$ 18,548	\$ (2,011)
Accounts receivable	3,981	4,153
Due from other governmental units	22,375	20,126
Prepaid expenses	<u>1,349</u>	<u>1,284</u>
Total Assets	<u>\$ 46,253</u>	<u>\$ 23,552</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,273	\$ 1,401
Accrued liabilities	<u>2,059</u>	<u>1,693</u>
Total Liabilities	<u>3,332</u>	<u>3,094</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>42,921</u>	<u>20,458</u>
Total Fund Equity	<u>42,921</u>	<u>20,458</u>
Total Liabilities and Fund Equity	<u>\$ 46,253</u>	<u>\$ 23,552</u>

OSCODA COUNTY
 EMERGENCY SERVICES FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 75,000	\$ 75,000	\$ 85,594	\$ 10,594
Fees	<u>31,662</u>	<u>31,662</u>	<u>50,202</u>	<u>18,540</u>
Total Revenue	<u>106,662</u>	<u>106,662</u>	<u>135,796</u>	<u>29,134</u>
Expenditures:				
Salaries	72,282	72,282	81,534	(9,252)
Fringes	32,245	32,245	30,883	1,362
Supplies	770	770	125	645
Telephone	365	365	580	(215)
Employee training & uniforms	<u>1,000</u>	<u>1,000</u>	<u>211</u>	<u>789</u>
Total Expenditures	<u>106,662</u>	<u>106,662</u>	<u>113,333</u>	<u>(6,671)</u>
Excess:				
Revenues over (under) expenditures	-0-	-0-	22,463	22,463
Fund balance (deficit) - January 1	<u>20,458</u>	<u>20,458</u>	<u>20,458</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 20,458</u>	<u>\$ 20,458</u>	<u>\$ 42,921</u>	<u>\$ 22,463</u>

OSCODA COUNTY
OFFICER TRAINING FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 3,113	\$ 2,446
Due from other funds	<u>1,151</u>	<u>1,151</u>
Total Assets	<u>\$ 4,264</u>	<u>\$ 3,597</u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	<u>\$ 4,264</u>	<u>\$ 3,597</u>
Total Fund Equity	<u>\$ 4,264</u>	<u>\$ 3,597</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 2,800	\$ 2,800	\$ 2,248	\$ (552)
Total Revenue	<u>2,800</u>	<u>2,800</u>	<u>2,248</u>	<u>(552)</u>
Expenditures:				
Charges for services	<u>2,800</u>	<u>2,800</u>	<u>1,581</u>	<u>1,219</u>
Total Expenditures	<u>2,800</u>	<u>2,800</u>	<u>1,581</u>	<u>1,219</u>
Excess:				
Revenues over (under) expenditures	-0-	-0-	667	667
Fund balance (deficit) - January 1	<u>3,597</u>	<u>3,597</u>	<u>3,597</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 3,597</u>	<u>\$ 3,597</u>	<u>\$ 4,264</u>	<u>\$ 667</u>

OSCODA COUNTY
 PARK FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 36,872	\$ 39,089
Prepaid expenses	1,089	1,037
Interest receivable	<u>127</u>	<u>-0-</u>
Total Assets	<u>\$ 38,088</u>	<u>\$ 40,126</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,118	\$ 924
Accrued liabilities	690	682
Due to other funds	<u>320</u>	<u>320</u>
Total Liabilities	<u>2,128</u>	<u>1,926</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>35,960</u>	<u>38,200</u>
Total Fund Equity	<u>35,960</u>	<u>38,200</u>
Total Liabilities and Fund Equity	<u>\$ 38,088</u>	<u>\$ 40,126</u>

OSCODA COUNTY
PARK FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Park sales	\$ 104,700	\$ 104,700	\$ 106,149	\$ 1,449
Interest	<u>300</u>	<u>300</u>	<u>1,208</u>	<u>908</u>
Total Revenue	<u>105,000</u>	<u>105,000</u>	<u>107,357</u>	<u>2,357</u>
Expenditures:				
Salaries	44,529	44,529	47,365	(2,836)
Fringes	22,800	22,800	25,589	(2,789)
Supplies	400	400	264	136
Fuel oil & gasoline	1,000	1,000	963	37
Printing and publishing	1,200	1,200	1,211	(11)
Ice and Firewood for resale	3,200	3,200	3,782	(582)
Tax lease	3,400	3,400	3,435	(35)
Grounds care maintenance	7,800	7,800	7,286	514
Repair & maintenance	3,000	3,000	5,332	(2,332)
Insurance	1,300	1,300	1,345	(45)
Utilities	11,700	11,700	10,654	1,046
Sanitation services	2,200	2,200	2,131	69
Travel	300	300	240	60
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-0-</u>	<u>2,000</u>
Total Expenditures	<u>104,829</u>	<u>104,829</u>	<u>109,597</u>	<u>(4,768)</u>
Excess:				
Revenues over (under) expenditures	171	171	(2,240)	(2,411)
Fund balance (deficit) - January 1	<u>38,200</u>	<u>38,200</u>	<u>38,200</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 38,371</u>	<u>\$ 38,371</u>	<u>\$ 35,960</u>	<u>\$ (2,411)</u>

OSCODA COUNTY
 D.A.R.E. FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash demand and time deposits	\$ 4,707	\$ 1,590
Total Assets	<u>\$ 4,707</u>	<u>\$ 1,590</u>
FUND EQUITY:		
Fund Balance:		
Undesignated	\$ 4,707	\$ 1,590
Total Fund Equity	<u>\$ 4,707</u>	<u>\$ 1,590</u>

OSCODA COUNTY
 D.A.R.E. FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Donations	\$ -0-	\$ -0-	\$ 300	\$ 300
Fees	<u>2,500</u>	<u>2,500</u>	<u>3,790</u>	<u>1,290</u>
Total Revenue	<u>2,500</u>	<u>2,500</u>	<u>4,090</u>	<u>1,590</u>
Expenditures:				
Supplies	<u>2,500</u>	<u>2,500</u>	<u>973</u>	<u>1,527</u>
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>973</u>	<u>1,527</u>
Excess:				
Revenues over (under) expenditures	-0-	-0-	3,117	3,117
Fund balance (deficit) - January 1	<u>1,590</u>	<u>1,590</u>	<u>1,590</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 1,590</u>	<u>\$ 1,590</u>	<u>\$ 4,707</u>	<u>\$ 3,117</u>

OSCODA COUNTY
 FRIEND OF THE COURT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 56,539	\$ 37,846
Prepaid expenses	2,178	2,074
Due from state	<u>23,706</u>	<u>36,213</u>
Total Assets	<u>\$ 82,423</u>	<u>\$ 76,133</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 5,285	\$ -0-
Accrued liabilities	<u>940</u>	<u>1,322</u>
Total Liabilities	<u>6,225</u>	<u>1,322</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>76,198</u>	<u>74,811</u>
Total Fund Equity	<u>76,198</u>	<u>74,811</u>
Total Liabilities and Fund Equity	<u>\$ 82,423</u>	<u>\$ 76,133</u>

OSCODA COUNTY
FRIEND OF THE COURT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 82,282	\$ 82,282	\$ 85,531	\$ 3,249
Fees	<u>22,188</u>	<u>22,188</u>	<u>20,532</u>	<u>(1,656)</u>
Total Revenue	<u>104,470</u>	<u>104,470</u>	<u>106,063</u>	<u>1,593</u>
Expenditures:				
Salaries	48,571	48,571	46,332	2,239
Fringes	34,245	34,245	33,601	644
Supplies	4,800	4,800	3,313	1,487
Contracted services	4,400	4,400	4,457	(57)
Utilities	2,500	2,500	2,380	120
Travel	2,500	2,500	1,566	934
Printing and publishing	300	300	101	199
Payments to other governments	17,217	17,217	23,419	(6,202)
Repairs and maintenance	500	500	270	230
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Total Expenditures	<u>116,033</u>	<u>116,033</u>	<u>115,439</u>	<u>594</u>
Excess:				
Revenue over (under) expenditures	<u>(11,563)</u>	<u>(11,563)</u>	<u>(9,376)</u>	<u>2,187</u>
Other financing sources (uses):				
Operating transfers in	<u>10,763</u>	<u>10,763</u>	<u>10,763</u>	<u>-0-</u>
Total Other Financing Sources (Uses):	<u>10,763</u>	<u>10,763</u>	<u>10,763</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	(800)	(800)	1,387	2,187
Fund balance (deficit) - January 1	<u>74,811</u>	<u>74,811</u>	<u>74,811</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 74,011</u>	<u>\$ 74,011</u>	<u>\$ 76,198</u>	<u>\$ 2,187</u>

OSCODA COUNTY
PUBLIC GUARDIANSHIP FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>3,603</u>	\$ <u>1,667</u>
Total Assets	\$ <u><u>3,603</u></u>	\$ <u><u>1,667</u></u>
FUND EQUITY		
Fund Balance:		
Undesignated	\$ <u>3,603</u>	\$ <u>1,667</u>
Total Fund Equity	\$ <u><u>3,603</u></u>	\$ <u><u>1,667</u></u>

OSCODA COUNTY
PUBLIC GUARDIANSHIP FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Fees	\$ 8,000	\$ 8,000	\$ 7,904	\$ (96)
Total Revenue	<u>8,000</u>	<u>8,000</u>	<u>7,904</u>	<u>(96)</u>
Expenditures:				
Salaries	7,250	7,250	5,793	1,457
Fringes	625	625	582	43
Supplies	200	200	176	24
Dues	45	45	45	-0-
Services	200	200	-0-	200
Travel	-0-	-0-	13	(13)
Employee training	250	250	44	206
Capital outlay	<u>115</u>	<u>115</u>	<u>-0-</u>	<u>115</u>
Total Expenditures	<u>8,685</u>	<u>8,685</u>	<u>6,653</u>	<u>2,032</u>
Excess:				
Revenue over (under) expenditures	<u>(685)</u>	<u>(685)</u>	<u>1,251</u>	<u>1,936</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>685</u>	<u>685</u>	<u>685</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>685</u>	<u>685</u>	<u>685</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	-0-	1,936	1,936
Fund balance (deficit) - January 1	<u>1,667</u>	<u>1,667</u>	<u>1,667</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 1,667</u>	<u>\$ 1,667</u>	<u>\$ 3,603</u>	<u>\$ 1,936</u>

OSCODA COUNTY
PARK IMPROVEMENT FUND
BALANCE SHEET
DECEMBER 31, 2005

ASSETS

Cash demand and time deposits	\$ 4,181
Total Assets	<u>\$ 4,181</u>

FUND EQUITY

Fund Equity:	
Fund Balance	
Reserved for Title III	\$ 2,870
Undesignated	<u>1,311</u>
Total Fund Equity	<u>\$ 4,181</u>

OSCODA COUNTY
 PARK IMPROVEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Interest earned	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Expenditures:				
Gasoline	100	100	-0-	100
Insurance	300	300	352	(52)
Utilities	100	100	71	29
Repair and maintenance	2,500	2,500	1,266	1,234
Title III	<u>-0-</u>	<u>-0-</u>	<u>130</u>	<u>(130)</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>1,819</u>	<u>1,181</u>
Excess:				
Revenue over (under) expenditures	<u>(3,000)</u>	<u>(3,000)</u>	<u>(1,819)</u>	<u>1,181</u>
Other Financing Sources and (Uses)				
Operating Transfers in	<u>(3,000)</u>	<u>3,000</u>	<u>6,000</u>	<u>3,000</u>
Total Other Financing Sources and (Uses)	<u>3,000</u>	<u>3,000</u>	<u>6,000</u>	<u>3,000</u>
Excess:				
Revenue and other financing sources over (under) expenditures and other financing uses	-0-	-0-	4,181	4,181
Fund balance (deficit) - January 1	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,181</u>	<u>\$ 4,181</u>

OSCODA COUNTY
 HAZARDOUS MATERIALS
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>5</u>	\$ <u>2</u>
Total Assets	\$ <u><u>5</u></u>	\$ <u><u>2</u></u>
FUND EQUITY		
Fund Equity:		
Fund Balance:		
Undesignated	\$ <u>5</u>	\$ <u>2</u>
Total Fund Equity	\$ <u><u>5</u></u>	\$ <u><u>2</u></u>

OSCODA COUNTY
 HAZARDOUS MATERIALS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Donations	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Expenditures:				
Supplies	530	530	3,172	(2,642)
Equipment	<u>2,645</u>	<u>2,645</u>	<u>-0-</u>	<u>2,645</u>
Total Expenditures	<u>3,175</u>	<u>3,175</u>	<u>3,172</u>	<u>3</u>
Excess:				
Revenues over (under) expenditures	<u>(3,175)</u>	<u>(3,175)</u>	<u>(3,172)</u>	<u>3</u>
Other Financing Sources (uses):				
Operating transfer in	<u>3,175</u>	<u>3,175</u>	<u>3,175</u>	<u>-0-</u>
Total Other Financing Sources (uses)	<u>3,175</u>	<u>3,175</u>	<u>3,175</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	-0-	3	3
Fund Balance (deficit) - January 1	<u>2</u>	<u>2</u>	<u>2</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 5</u>	<u>\$ 3</u>

OSCODA COUNTY
 HISTORICAL COMMISSION
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>168</u>	\$ <u>616</u>
Total Assets	\$ <u><u>168</u></u>	\$ <u><u>616</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>168</u>	\$ <u>616</u>
Total Fund Equity	\$ <u><u>168</u></u>	\$ <u><u>616</u></u>

OSCODA COUNTY
 HISTORICAL COMMISSION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Other	\$ 3,475	\$ 3,475	\$ 3,595	\$ 120
 Total Revenue	 3,475	 3,475	 3,595	 120
Expenditures:				
Salaries	3,600	3,600	3,876	(276)
Fringes	300	300	297	3
Supplies	25	25	31	(6)
Utilities	850	850	1,082	(232)
Repairs and maintenance	250	250	257	(7)
 Total Expenditures	 5,025	 5,025	 5,543	 (518)
Excess:				
Revenue over (under) expenditures	 (1,550)	 (1,550)	 (1,948)	 (398)
Other Financing Sources (Uses):				
Operating transfer in	1,500	1,500	1,500	-0-
 Total Other Financing Sources (Uses)	 1,500	 1,500	 1,500	 -0-
Excess:				
Revenue and other financing sources over (under) expenditures	 (50)	 (50)	 (448)	 (398)
Fund balance (deficit) - January 1	 616	 616	 616	 -0-
Fund balance (deficit) - December 31	 <u>\$ 566</u>	 <u>\$ 566</u>	 <u>\$ 168</u>	 <u>\$ (398)</u>

OSCODA COUNTY
 GYPSY MOTH FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>81,514</u>	\$ <u>79,576</u>
Total Assets	\$ <u><u>81,514</u></u>	\$ <u><u>79,576</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>81,514</u>	\$ <u>79,576</u>
Total Fund Equity	\$ <u><u>81,514</u></u>	\$ <u><u>79,576</u></u>

OSCODA COUNTY
 GYPSY MOTH FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Interest	\$ -0-	\$ -0-	\$ 1,971	\$ 1,971
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>1,971</u>	<u>1,971</u>
Expenditures:				
Supplies	<u>-0-</u>	<u>-0-</u>	<u>33</u>	<u>(33)</u>
Total Expenditures	<u>-0-</u>	<u>-0-</u>	<u>33</u>	<u>(33)</u>
Excess:				
Revenue over (under) expenditures	-0-	-0-	1,938	1,938
Fund balance (deficit) - January 1	<u>79,576</u>	<u>79,576</u>	<u>79,576</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 79,576</u>	<u>\$ 79,576</u>	<u>\$ 81,514</u>	<u>\$ 1,938</u>

OSCODA COUNTY
 PUBLIC IMPROVEMENT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Due from governmental units	\$ 6,267	\$ 22,018
Cash demand and time deposits	<u>5,835</u>	<u>-0-</u>
Total Assets	<u>\$ 12,102</u>	<u>\$ 22,018</u>
FUND EQUITY		
Fund Equity:		
Fund Balance		
Undesignated	<u>\$ 12,102</u>	<u>\$ 22,018</u>
Total Fund Equity	<u>\$ 12,102</u>	<u>\$ 22,018</u>

OSCODA COUNTY
 PUBLIC IMPROVEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Townships	\$ -0-	\$ -0-	\$ 11,671	\$ 11,671
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>11,671</u>	<u>11,671</u>
Expenditures:				
Payments to other governments	-0-	-0-	10,000	(10,000)
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>37,087</u>	<u>(17,087)</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>47,087</u>	<u>(27,087)</u>
Excess:				
Revenue over (under) expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>(35,416)</u>	<u>(15,416)</u>
Other Financing Sources and (Uses)				
Operating Transfers in	<u>-0-</u>	<u>-0-</u>	<u>25,500</u>	<u>25,500</u>
Total Other Financing Sources and (Uses)	<u>-0-</u>	<u>-0-</u>	<u>25,500</u>	<u>25,500</u>
Excess:				
Revenue and other financing sources over (under) expenditures and other financing uses	(20,000)	(20,000)	(9,916)	10,084
Fund balance (deficit) - January 1	<u>22,018</u>	<u>22,018</u>	<u>22,018</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 2,018</u>	<u>\$ 2,018</u>	<u>\$ 12,102</u>	<u>\$ 10,084</u>

OSCODA COUNTY
 DRUG LAW ENFORCEMENT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>12,830</u>	\$ <u>12,830</u>
Total Assets	\$ <u><u>12,830</u></u>	\$ <u><u>12,830</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>12,830</u>	\$ <u>12,830</u>
Total Fund Equity	\$ <u><u>12,830</u></u>	\$ <u><u>12,830</u></u>

OSCODA COUNTY
 DRUG LAW ENFORCEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Other	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Expenditures:				
Payments to other governments	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>-0-</u>
Total Expenditures	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>-0-</u>
Excess:				
Revenues over (under) expenditures	<u>(10,360)</u>	<u>(10,360)</u>	<u>(10,360)</u>	<u>-0-</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balance (deficit) - January 1	<u>12,830</u>	<u>12,830</u>	<u>12,830</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 12,830</u>	<u>\$ 12,830</u>	<u>\$ 12,830</u>	<u>\$ -0-</u>

OSCODA COUNTY
 COUNTY LAW LIBRARY FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>657</u>	\$ <u>561</u>
Total Assets	\$ <u><u>657</u></u>	\$ <u><u>561</u></u>
FUND EQUITY		
Fund Equity:		
Fund Balance:		
Undesignated	\$ <u>657</u>	\$ <u>561</u>
Total Fund Equity	\$ <u><u>657</u></u>	\$ <u><u>561</u></u>

OSCODA COUNTY
 COUNTY LAW LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Fines and forfeits	\$ 2,000	\$ 2,000	\$ 2,000	\$ -0-
Total Revenue	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-0-</u>
Expenditures:				
Books and periodicals	<u>4,972</u>	<u>4,972</u>	<u>5,876</u>	<u>(904)</u>
Total Expenditures	<u>4,972</u>	<u>4,972</u>	<u>5,876</u>	<u>(904)</u>
Excess:				
Revenue over (under) expenditures	<u>(2,972)</u>	<u>(2,972)</u>	<u>(3,876)</u>	<u>(904)</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>2,972</u>	<u>2,972</u>	<u>3,972</u>	<u>1,000</u>
Total Other Financing Sources (Uses)	<u>2,972</u>	<u>2,972</u>	<u>3,972</u>	<u>1,000</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	-0-	96	96
Fund balance (deficit) - January 1	<u>561</u>	<u>561</u>	<u>561</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 561</u>	<u>\$ 561</u>	<u>\$ 657</u>	<u>\$ 96</u>

OSCODA COUNTY
BUILDING CODE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 35,548	\$ 44,298
Prepaid expenses	<u>1,089</u>	<u>1,037</u>
Total Assets	<u>\$ 36,637</u>	<u>\$ 45,335</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 276	\$ 3,575
Accrued liabilities	<u>954</u>	<u>935</u>
Total Liabilities	<u>1,230</u>	<u>4,510</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>35,407</u>	<u>40,825</u>
Total Fund Equity	<u>35,407</u>	<u>40,825</u>
Total Liabilities and Fund Equity	<u>\$ 36,637</u>	<u>\$ 45,335</u>

OSCODA COUNTY
 BUILDING CODE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Permit fees	\$ 135,000	\$ 135,000	\$ 129,277	\$ (5,723)
Total Revenue	<u>135,000</u>	<u>135,000</u>	<u>129,277</u>	<u>(5,723)</u>
Expenditures:				
Salaries	49,998	49,998	50,319	(321)
Fringes	18,375	18,375	21,085	(2,710)
Supplies	6,100	6,100	4,839	1,261
Contracted services	49,950	49,950	50,589	(639)
Dues	250	250	295	(45)
Utilities	600	600	485	115
Travel	500	500	423	77
Insurance	1,100	1,100	1,073	27
Repair and maintenance	1,100	1,100	269	831
Rent	5,000	5,000	5,000	-0-
Employee training	600	600	318	282
Capital outlay	<u>500</u>	<u>500</u>	<u>-0-</u>	<u>500</u>
Total Expenditures	<u>134,073</u>	<u>134,073</u>	<u>134,695</u>	<u>(622)</u>
Excess:				
Revenues over (under) expenditures	927	927	(5,418)	(6,345)
Fund balance (deficit) January 1	<u>40,825</u>	<u>40,825</u>	<u>40,825</u>	<u>-0-</u>
Fund balance (deficit) December 31	<u>\$ 41,752</u>	<u>\$ 41,752</u>	<u>\$ 35,407</u>	<u>\$ (6,345)</u>

OSCODA COUNTY
 COUNTY LIBRARY FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 75,315	\$ 75,948
Prepaid expenses	1,089	1,037
Interest receivable	<u>258</u>	<u>-0-</u>
Total Assets	<u><u>\$ 76,662</u></u>	<u><u>\$ 76,985</u></u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 233	\$ 2,848
Due to other funds	3,056	3,056
Accrued liabilities	<u>730</u>	<u>1,013</u>
Total Liabilities	<u>4,019</u>	<u>6,917</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>72,643</u>	<u>70,068</u>
Total Fund Equity	<u>72,643</u>	<u>70,068</u>
Total Liabilities and Fund Equity	<u><u>\$ 76,662</u></u>	<u><u>\$ 76,985</u></u>

OSCODA COUNTY
 COUNTY LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 7,950	\$ 7,950	\$ 8,190	\$ 240
Fines and forfeits	88,030	88,030	78,138	(9,892)
Interest	400	400	2,462	2,062
Other	<u>4,300</u>	<u>4,300</u>	<u>5,537</u>	<u>1,237</u>
Total Revenue	<u>100,680</u>	<u>100,680</u>	<u>94,327</u>	<u>(6,353)</u>
Expenditures:				
Salaries and wages	46,513	46,513	45,145	1,368
Fringes	23,092	23,092	18,055	5,037
Supplies	1,450	1,450	3,553	(2,103)
Books and periodicals	8,750	8,750	6,800	1,950
Services	8,025	8,025	5,749	2,276
Utilities	10,000	10,000	9,734	266
Insurance	850	850	1,025	(175)
Miscellaneous	1,500	1,500	1,691	(191)
Capital outlay	<u>500</u>	<u>500</u>	<u>-0-</u>	<u>500</u>
Total Expenditures	<u>100,680</u>	<u>100,680</u>	<u>91,752</u>	<u>8,928</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	-0-	2,575	2,575
Fund balance (deficit) - January 1	<u>70,068</u>	<u>70,068</u>	<u>70,068</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 70,068</u>	<u>\$ 70,068</u>	<u>\$ 72,643</u>	<u>\$ 2,575</u>

OSCODA COUNTY
 COUNCIL ON AGING
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 38,491	\$ 78,185
Taxes receivable	<u>143,711</u>	<u>137,928</u>
Total Assets	<u>\$ 182,202</u>	<u>\$ 216,113</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Deferred revenue	<u>\$ 143,711</u>	<u>\$ 137,928</u>
Total Liabilities	<u>143,711</u>	<u>137,928</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>38,491</u>	<u>78,185</u>
Total Fund Equity	<u>38,491</u>	<u>78,185</u>
Total Liabilities and Fund Equity	<u>\$ 182,202</u>	<u>\$ 216,113</u>

OSCODA COUNTY
 COUNCIL ON AGING
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Actual	Actual	Variance Favorable (Unfavorable)
Revenue:				
Taxes	\$ 125,000	\$ 125,000	\$ 138,078	\$ 13,078
Interest	<u>1,000</u>	<u>1,000</u>	<u>2,228</u>	<u>1,228</u>
Total Revenue	<u>126,000</u>	<u>126,000</u>	<u>140,306</u>	<u>14,306</u>
Expenditures:				
Payments to other Governments	<u>125,000</u>	<u>125,000</u>	<u>180,000</u>	<u>(55,000)</u>
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>180,000</u>	<u>(55,000)</u>
Excess:				
Revenue over (under) expenditures	1,000	1,000	(39,694)	(40,694)
Fund balance (deficit) - January 1	<u>78,185</u>	<u>78,185</u>	<u>78,185</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 79,185</u>	<u>\$ 79,185</u>	<u>\$ 38,491</u>	<u>\$ (40,694)</u>

OSCODA COUNTY
STRONG FAMILIES/SAFE CHILDREN FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 7,357	\$ 6,135
Due from other governmental units	<u>-0-</u>	<u>436</u>
Total Assets	<u>\$ 7,357</u>	<u>\$ 6,571</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accrued Liabilities	<u>\$ -0-</u>	<u>\$ 148</u>
Total Liabilities	<u>-0-</u>	<u>148</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>7,357</u>	<u>6,423</u>
Total Fund Equity	<u>7,357</u>	<u>6,423</u>
Total Liabilities and Fund Equity	<u>\$ 7,357</u>	<u>\$ 6,571</u>

OSCODA COUNTY
 STRONG FAMILIES/SAFE CHILDREN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 6,000	\$ 6,000	\$ 2,306	\$ (3,694)
Total Revenue	<u>6,000</u>	<u>6,000</u>	<u>2,306</u>	<u>(3,694)</u>
Expenditures:				
Salaries	5,541	5,541	1,263	4,278
Fringes	<u>459</u>	<u>459</u>	<u>109</u>	<u>350</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>1,372</u>	<u>4,628</u>
Excess:				
Revenue over (under) expenditures	-0-	-0-	934	934
Fund balance (deficit) - January 1	<u>6,423</u>	<u>6,423</u>	<u>6,423</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 6,423</u>	<u>\$ 6,423</u>	<u>\$ 7,357</u>	<u>\$ 934</u>

OSCODA COUNTY
 DEPARTMENT OF HUMAN SERVICES
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 35,167	\$ 43,372
Due from other governmental units	<u>9,079</u>	<u>11,474</u>
Total Assets	<u>\$ 44,246</u>	<u>\$ 54,846</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 8,639	\$ 4,448
Due to other governmental units	<u>28,000</u>	<u>-0-</u>
Total Liabilities	<u>36,639</u>	<u>4,448</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>7,607</u>	<u>50,398</u>
Total Fund Equity	<u>7,607</u>	<u>50,398</u>
Total Liabilities and Fund Equity	<u>\$ 44,246</u>	<u>\$ 54,846</u>

OSCODA COUNTY
 DEPARTMENT OF HUMAN SERVICES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 250,000	\$ 250,000	\$ 172,140	\$ (77,860)
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>172,140</u>	<u>(77,860)</u>
Expenditures:				
Charges for services	<u>250,000</u>	<u>250,000</u>	<u>222,372</u>	<u>27,628</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>222,372</u>	<u>27,628</u>
Excess:				
Revenue over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>(50,232)</u>	<u>(50,232)</u>
Other Financing Sources:				
Operating transfers in	<u>-0-</u>	<u>-0-</u>	<u>7,441</u>	<u>7,441</u>
Total Other Financing Sources	<u>-0-</u>	<u>-0-</u>	<u>7,441</u>	<u>7,441</u>
Excess:				
Revenue and other financing sources over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>(42,791)</u>	<u>(42,791)</u>
Fund balance (deficit) - January 1	<u>50,398</u>	<u>50,398</u>	<u>50,398</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 50,398</u>	<u>\$ 50,398</u>	<u>\$ 7,607</u>	<u>\$ (42,791)</u>

OSCODA COUNTY
 CHILD CARE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash demand and time deposits	\$ 40,721	\$ (40,786)
Due from other governmental units	<u>27,209</u>	<u>49,740</u>
Total Assets	<u>\$ 67,930</u>	<u>\$ 8,954</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 18,729	\$ 44,988
Due to other governmental units	-0-	22,040
Due to other funds	<u>5,000</u>	<u>5,000</u>
Total Liabilities	<u>23,729</u>	<u>72,028</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>44,201</u>	<u>(63,074)</u>
Total Fund Equity	<u>44,201</u>	<u>(63,074)</u>
Total Liabilities and Fund Equity	<u>\$ 67,930</u>	<u>\$ 8,954</u>

OSCODA COUNTY
 CHILD CARE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 143,500	\$ 143,500	\$ 125,394	\$ (18,106)
Other	<u>1,000</u>	<u>1,000</u>	<u>9,391</u>	<u>8,391</u>
Total Revenue	<u>144,500</u>	<u>144,500</u>	<u>134,785</u>	<u>(9,715)</u>
Expenditures:				
Charges for services	282,500	282,500	215,936	66,564
Payments to other governments	-0-	-0-	23,075	(23,075)
Travel	<u>2,500</u>	<u>2,500</u>	<u>3,220</u>	<u>(720)</u>
Total Expenditures	<u>285,000</u>	<u>285,000</u>	<u>242,231</u>	<u>42,769</u>
Excess:				
Revenue over (under) expenditures	<u>(140,500)</u>	<u>(140,500)</u>	<u>(107,446)</u>	<u>33,054</u>
Other Financing Sources:				
Operating transfers in	<u>144,500</u>	<u>144,500</u>	<u>214,721</u>	<u>70,221</u>
Total Other Financing Sources	<u>144,500</u>	<u>144,500</u>	<u>214,721</u>	<u>70,221</u>
Excess:				
Revenue and other financing sources over (under) expenditures	4,000	4,000	107,275	103,275
Fund balance (deficit) - January 1	<u>1,190</u>	<u>1,190</u>	<u>(63,074)</u>	<u>(64,264)</u>
Fund balance (deficit) - December 31	<u>\$ 5,190</u>	<u>\$ 5,190</u>	<u>\$ 44,201</u>	<u>\$ 39,011</u>

OSCODA COUNTY
 SOLDIERS AND SAILORS FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash demand and time deposits	\$ <u>8,507</u>	\$ <u>9,673</u>
Total Assets	<u>\$ 8,507</u>	<u>\$ 9,673</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ <u>600</u>	\$ <u>-0-</u>
Total Liabilities	<u>600</u>	<u>-0-</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>7,907</u>	<u>9,673</u>
Total Fund Equity	<u>7,907</u>	<u>9,673</u>
Total Liabilities and Fund Equity	<u>\$ 8,507</u>	<u>\$ 9,673</u>

OSCODA COUNTY
 SOLDIERS AND SAILORS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Other	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Expenditures:				
Social welfare	<u>7,500</u>	<u>7,500</u>	<u>9,266</u>	<u>(1,766)</u>
Total Expenditures	<u>7,500</u>	<u>7,500</u>	<u>9,266</u>	<u>(1,766)</u>
Excess:				
Revenue over (under) expenditures	<u>(7,500)</u>	<u>(7,500)</u>	<u>(9,266)</u>	<u>(1,766)</u>
Other Financing Sources:				
Operating transfers in	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-0-</u>
Total Other Financing Sources	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	-0-	(1,766)	(1,766)
Fund balance (deficit) - January 1	<u>9,673</u>	<u>9,673</u>	<u>9,673</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u><u>\$ 9,673</u></u>	<u><u>\$ 9,673</u></u>	<u><u>\$ 7,907</u></u>	<u><u>\$ (1,766)</u></u>

OSCODA COUNTY
VETERANS TRUST FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>773</u>	\$ <u>674</u>
Total Assets	\$ <u><u>773</u></u>	\$ <u><u>674</u></u>
FUND EQUITY		
Fund Equity:		
Fund Balance:		
Undesignated	\$ <u>773</u>	\$ <u>674</u>
Total Fund Equity	\$ <u><u>773</u></u>	\$ <u><u>674</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
State	\$ <u>1,832</u>	\$ <u>1,832</u>	\$ <u>1,708</u>	\$ <u>(124)</u>
Total Revenue	<u>1,832</u>	<u>1,832</u>	<u>1,708</u>	<u>(124)</u>
Expenditures:				
Social welfare	<u>1,832</u>	<u>1,832</u>	<u>1,609</u>	<u>223</u>
Total Expenditures	<u>1,832</u>	<u>1,832</u>	<u>1,609</u>	<u>223</u>
Excess:				
Revenue over (under) expenditures	-0-	-0-	99	99
Fund balance (deficit) - January 1	<u>674</u>	<u>674</u>	<u>674</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u><u>\$ 674</u></u>	<u><u>\$ 674</u></u>	<u><u>\$ 773</u></u>	<u><u>\$ 99</u></u>

OSCODA COUNTY
BASIC GRANT
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Due from other funds	\$ 5,000	\$ 5,000
Due from other governmental units	<u>1,250</u>	<u>3,750</u>
Total Assets	<u>\$ 6,250</u>	<u>\$ 8,750</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Due to other funds	<u>\$ 6,250</u>	<u>\$ 6,250</u>
Total Liabilities	<u>6,250</u>	<u>6,250</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>-0-</u>	<u>2,500</u>
Total Fund Equity	<u>-0-</u>	<u>2,500</u>
Total Liabilities and Fund Equity	<u>\$ 6,250</u>	<u>\$ 8,750</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 15,000	\$ 15,000	\$ 13,750	\$ (1,250)
Total Revenue	<u>15,000</u>	<u>15,000</u>	<u>13,750</u>	<u>(1,250)</u>
Other Financing Uses:				
Operating transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(16,250)</u>	<u>(1,250)</u>
Total Other Financing Uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>(16,250)</u>	<u>(1,250)</u>
Excess:				
Revenue over (under) other financing uses	-0-	-0-	(2,500)	(2,500)
Fund balance (deficit) - January 1	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -0-</u>	<u>\$ (2,500)</u>

OSCODA COUNTY
 YOUTH SERVICES
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash demand and time deposits	\$ <u>483</u>	\$ <u>483</u>
Total Assets	\$ <u><u>483</u></u>	\$ <u><u>483</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>483</u>	\$ <u>483</u>
Total Fund Equity	\$ <u><u>483</u></u>	\$ <u><u>483</u></u>

OSCODA COUNTY
 REGISTER OF DEEDS AUTOMATION FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>26,716</u>	\$ <u>23,565</u>
Total Assets	<u>\$ 26,716</u>	<u>\$ 23,565</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ <u>3,801</u>	\$ <u>-0-</u>
Total Liabilities	<u>3,801</u>	<u>-0-</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>22,915</u>	\$ <u>23,565</u>
Total Fund Equity	<u>22,915</u>	\$ <u>23,565</u>
Total Liabilities and Fund Equity	<u>\$ 26,716</u>	<u>\$ 23,565</u>

OSCODA COUNTY
 REGISTER OF DEEDS AUTOMATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Interest	\$ -0-	\$ -0-	\$ 604	\$ 604
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>604</u>	<u>604</u>
Expenditures:				
Supplies	-0-	-0-	1,449	(1,449)
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>21,785</u>	<u>(1,785)</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>23,234</u>	<u>(3,234)</u>
Excess:				
Revenue over (Under) expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>(22,630)</u>	<u>(2,630)</u>
Other Financing Sources:				
Operating transfers in	<u>30,000</u>	<u>30,000</u>	<u>21,980</u>	<u>(8,020)</u>
Total Other Financing Sources	<u>30,000</u>	<u>30,000</u>	<u>21,980</u>	<u>(8,020)</u>
Excess:				
Revenue and other financing Sources over (under) expenditures	10,000	10,000	(650)	(10,650)
Fund balance (deficit) - January 1	<u>23,565</u>	<u>23,565</u>	<u>23,565</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 33,565</u>	<u>\$ 33,565</u>	<u>\$ 22,915</u>	<u>\$ (10,650)</u>

OSCODA COUNTY
AIRPORT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash demand and time deposits	\$ 25,627	\$ 25,554
Total Assets	<u>\$ 25,627</u>	<u>\$ 25,554</u>

LIABILITIES AND FUND EQUITY

Liabilities:		
Accounts payable	\$ 10,327	\$ -0-
Total Liabilities	<u>10,327</u>	<u>-0-</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>15,300</u>	<u>25,554</u>
Total Fund Equity	<u>15,300</u>	<u>25,554</u>
Total Liabilities and Fund Equity	<u>\$ 25,627</u>	<u>\$ 25,554</u>

OSCODA COUNTY
 AIRPORT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Rent	\$ 7,050	\$ 7,050	\$ 7,270	\$ 220
Total Revenue	<u>7,050</u>	<u>7,050</u>	<u>7,270</u>	<u>220</u>
Expenditures:				
Salaries and wages	1,000	1,000	1,184	(184)
Supplies	110	110	64	46
Charges for services	75	75	2,085	(2,010)
Insurance	1,600	1,600	1,845	(245)
Utilities	1,200	1,200	1,392	(192)
Repair and maintenance	3,065	3,065	627	2,438
Capital outlay	<u>79,000</u>	<u>79,000</u>	<u>10,327</u>	<u>68,673</u>
Total Expenditures	<u>86,050</u>	<u>86,050</u>	<u>17,524</u>	<u>68,526</u>
Excess:				
Revenues over (under) expenditures	<u>(79,000)</u>	<u>(79,000)</u>	<u>(10,254)</u>	<u>68,746</u>
Other Financing Sources (Uses):				
Operating transfer in	<u>54,000</u>	<u>54,000</u>	<u>-0-</u>	<u>(54,000)</u>
Total other financing sources (uses)	<u>54,000</u>	<u>54,000</u>	<u>-0-</u>	<u>(54,000)</u>
Excess:				
Revenue and other financing sources over (under) expenditures	(25,000)	(25,000)	(10,254)	14,246
Fund balance (deficit) - January 1	<u>25,554</u>	<u>25,554</u>	<u>25,554</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 554</u>	<u>\$ 554</u>	<u>\$ 15,300</u>	<u>\$ 14,746</u>

OSCODA COUNTY
COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS
DECEMBER 31, 2005

	<u>Agency Funds</u>		
	<u>General</u>	<u>Library</u>	<u>Totals</u>
ASSETS			
Cash demand and time deposits	<u>\$ 401,663</u>	<u>\$ 49,659</u>	<u>\$ 451,322</u>
Total Assets	<u><u>\$ 401,663</u></u>	<u><u>\$ 49,659</u></u>	<u><u>\$ 451,322</u></u>
LIABILITIES			
Due to governmental units	\$ 45,065	\$ -0-	\$ 45,065
Undistributed collections	316,222	49,659	365,881
Other current liabilities	<u>40,376</u>	<u>-0-</u>	<u>40,376</u>
Total Liabilities	<u><u>\$ 401,663</u></u>	<u><u>\$ 49,659</u></u>	<u><u>\$ 451,322</u></u>

OSCODA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
DECEMBER 31, 2005

<u>TRUST AND AGENCY</u>	<u>Balance January 1 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2005</u>
ASSETS				
Cash demand and time deposits	\$ 593,194	\$ 4,911,342	\$ 5,102,873	\$ 401,663
Total Assets	<u>\$ 593,194</u>	<u>\$ 4,911,342</u>	<u>\$ 5,102,873</u>	<u>\$ 401,663</u>
LIABILITIES				
Due to governmental units	\$ 76,128	\$ 3,823,278	\$ 3,854,341	\$ 45,065
Undistributed collections	435,429	929,840	1,049,047	316,222
Other current liabilities	<u>81,637</u>	<u>158,224</u>	<u>199,485</u>	<u>40,376</u>
Total Liabilities	<u>\$ 593,194</u>	<u>\$ 4,911,342</u>	<u>\$ 5,102,873</u>	<u>\$ 401,663</u>
<u>LIBRARY PENAL FINES</u>				
ASSETS				
Cash demand and time deposits	\$ 44,347	\$ 85,450	\$ 80,138	\$ 49,659
Total Assets	<u>\$ 44,347</u>	<u>\$ 85,450</u>	<u>\$ 80,138</u>	<u>\$ 49,659</u>
LIABILITIES				
Undistributed collections	<u>\$ 44,347</u>	<u>\$ 85,450</u>	<u>\$ 80,138</u>	<u>\$ 49,659</u>
Total Liabilities	<u>\$ 44,347</u>	<u>\$ 85,450</u>	<u>\$ 80,138</u>	<u>\$ 49,659</u>
<u>AGENCY FUND TOTALS</u>				
ASSETS				
Cash demand and time deposits	\$ 637,541	\$ 4,996,792	\$ 5,183,011	\$ 451,322
Total Assets	<u>\$ 637,541</u>	<u>\$ 4,996,792</u>	<u>\$ 5,183,011</u>	<u>\$ 451,322</u>
LIABILITIES				
Due to governmental units	\$ 76,128	\$ 3,823,278	\$ 3,854,341	\$ 45,065
Undistributed collections	479,776	1,015,290	1,129,185	365,881
Other current liabilities	<u>81,637</u>	<u>158,224</u>	<u>199,485</u>	<u>40,376</u>
Total Liabilities	<u>\$ 637,541</u>	<u>\$ 4,996,792</u>	<u>\$ 5,183,011</u>	<u>\$ 451,322</u>

OSCODA COUNTY
 TRUST AND AGENCY FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ 401,663	\$ 593,194
Total Assets	<u>\$ 401,663</u>	<u>\$ 593,194</u>
LIABILITIES		
Due to governmental units	\$ 45,065	\$ 76,128
Undistributed collections	316,222	435,429
Other current liabilities	<u>40,376</u>	<u>81,637</u>
Total Liabilities	<u>\$ 401,663</u>	<u>\$ 593,194</u>

OSCODA COUNTY
 LIBRARY PENAL FINES FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash demand and time deposits	\$ <u>49,659</u>	\$ <u>44,347</u>
Total Assets	\$ <u><u>49,659</u></u>	\$ <u><u>44,347</u></u>
LIABILITIES		
Undistributed collections	\$ <u>49,659</u>	\$ <u>44,347</u>
Total Liabilities	\$ <u><u>49,659</u></u>	\$ <u><u>44,347</u></u>



James M. Anderson, P.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

June 22, 2006

Board of Commissioners
Oscoda County
Mio, MI 48647

Dear Board:

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oscoda County as of and for the year ended December 31, 2005, which collectively comprise Oscoda County's basic financial statements and have issued my report thereon dated June 22, 2006. I did not audit the financial statements of the Special Revenue County Road Commission Fund, which statements represent 100 percent and 100 percent, respectively, of the assets and revenues of the component units. These statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the Special Revenue County Road Commission Fund, is based solely on the report of the other auditors.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

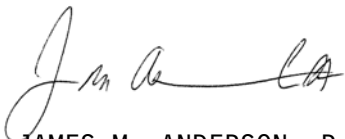
In planning and performing my audit, I considered Oscoda County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported to management of Oscoda County in a separate letter dated June 22, 2006.

MEMBER MACPA and AICPA

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Oscoda County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to management of Oscoda County, in a separate letter dated June 22, 2006.

This report is intended solely for the information and use of the audit committee, management, and Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "J M Anderson", written in dark ink.

JAMES M. ANDERSON, P.C.
CERTIFIED PUBLIC ACCOUNTANT

OSCODA COUNTY
REPORT TO MANAGEMENT
DECEMBER 31, 2005



James M. Anderson, P.C.

CERTIFIED PUBLIC ACCOUNTANT

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June 22, 2006

Board of Commissioners
Oscoda County
Mio, MI 48647

In planning and performing my audit of the financial statements of Oscoda County as of and for the year ended December 31, 2005, I considered the County's accounting, operational, and internal control procedures to determine the nature and extent of my audit testing for the purpose of expressing an opinion on the financial statements of the County and not to provide assurance on the procedures themselves.

I did however, during the course of my audit, become aware of certain matters that are opportunities for enhancing those procedures or controls. The memorandum that accompanies this letter summarizes my comments and suggestions regarding those matters. This letter does not affect my report dated June 22, 2006 on the financial statements of Oscoda County.

I have already discussed these comments and suggestions with the Oscoda County personnel, and I will be pleased to discuss them in further detail at your convenience, and/or to perform any additional studies of these matters, should you so desire.

A handwritten signature in dark ink, appearing to read "J M Anderson".

JAMES M. ANDERSON, P.C.
CERTIFIED PUBLIC ACCOUNTANT

EDC REVOLVING LOAN

The County received \$150,000 in grants from the U.S. Department of Agricultural for the purpose of establishing an EDC revolving loan program. This activity is being recorded in the County General Fund. The grant requirements are that the program income from the loan payments be used for additional loans rather than closed into the fund balance of the General Fund at year end. I recommend the Board establish a separate special revenue fund to account for this activity and the loan receivables to meet the grant requirements.

MILEAGE REIMBURSEMENT

The Department of Treasury has recently attempted to clarify the legality of payment for mileage reimbursement from home to the County building and back for county meetings. County commissioners can receive these reimbursements, however, it is Treasury's position that this is a personal expenditure under Internal Revenue Service guidelines as well as Michigan Income Tax requirements and should be included in the commissioner's W-2 as wage.

It is further their position that non-commissioners appointed to various boards such as housing, jury, etc. are not permitted to receive a mileage allowance.

I suggest that the County get written verification from Treasury prior to instituting any changes in its present policy.

BUILDING DEPARTMENT

A test of receipts and permits revealed that there is a program flaw that allows the detail of the receipt to be different than the receipt control total. The programmer should be contacted and the flaw corrected. It is my understanding this is currently being done.

AMBULANCE DEPARTMENT

During my testwork it was determined that ambulance receipts were only being deposited monthly. I recommend that all money received be receipted daily and deposits be made at least on a weekly basis.

The Ambulance department currently is using a hand receipt system as well as a computerized system for tracking ambulance receivables. In addition a private company is retained for the billings of the insurance claims. The Board is currently looking into changes in the procedures for collecting money for the Ambulance billings due to time lags in postings. I recommend the Board of Commissioners appoint a committee to review the billing system and procedures before implementing additional changes. This may include reassigning job responsibilities within the Ambulance Department and/or adding clerical personnel.

HOUSING FUND

The Housing Department maintains mortgage loans/grants with recipients in Oscoda County. Although the loans are maintained on an individual basis, there is no control total reconciled to in the general ledger. I recommend that a complete reconciliation be performed as of January 1, 2006 and for each month end thereafter. This would include all of the mortgage receivables maintained within the Housing Department compared to the general ledger total maintained by the Clerk and Treasurer.

The Director maintains a separate accounting system for the Housing Department which should reconcile to the County general ledger. At the time I performed my testwork, the 2005 activity had been posted. However, the 2006 activity had not been posted and reconciled to the County general ledger. This should be done each month and reconciled within 15 days of month end.

CAPITAL OUTLAY

The County implemented procedures for record keeping and depreciating fixed assets acquired by the County both past and current. Through my 2005 analysis several adjustments were made to reclassify non-capital outlay items that did not meet the criteria established by the board. I recommend that the departmental and fund budgets be prepared in compliance with the capitalization policy established by the Board of Commissioners and the coding of the County expenditures for capital items be applied consistently. Ultimately, the Clerk's department must be sure that only capital expenditures meeting the capitalization policy criteria are in the capital accounts.